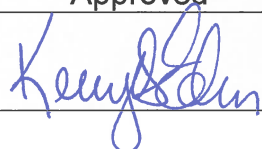





Administrative Policy

Title: Purchasing Policy & Procedures Manual				
Administered By: Administrative Services (Purchasing)				
New Policy No.	Issue Date (Last Revised)	Renumber Date	Department Head Approved	City Manager Approved
01300.001	01-07-12 (12-13)	01-03-17		

This Policy had been issued without a known Policy Number. Effective on the Renumber Date noted above, this Policy is hereby renumbered as the Policy Number noted above.

The latest version of the Policy is attached hereto and incorporated herein by reference.

Attachment: Policy (UNKNOWN #)
Issued: 01-07-12
Revised: 12-13

CITY OF CORONA

PURCHASING POLICY AND PROCEDURES MANUAL



Prepared in accordance with the regulations of Chapter 3.08
of the Corona Municipal Code
As amended and approved by the City Council effective
January 7, 2012

Recommended by: _____ Date: _____
Kerry D. Eden, Finance Director

Recommended by: _____ Date: _____
Greg Irvine, Assistant City Manager

Approved by: _____ Date: _____
Bradly L. Robbins, City Manager

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PURPOSE OF MANUAL

Corona Municipal Code (CMC) Chapter 3.08 “Purchasing Regulations” provides for the City Manager’s approval of the City’s Purchasing Policy and Procedures Manual (Manual). The purpose of the Manual is to memorialize all of the following:

- Delegation of authority
- Alternative Procedures for purchases under \$45,000
- Procedures for preparing and processing forms

All purchasing activities are to be performed in accordance with this Purchasing Policy and Procedures Manual. Any and all practices which might result in unlawful activity are specifically prohibited.

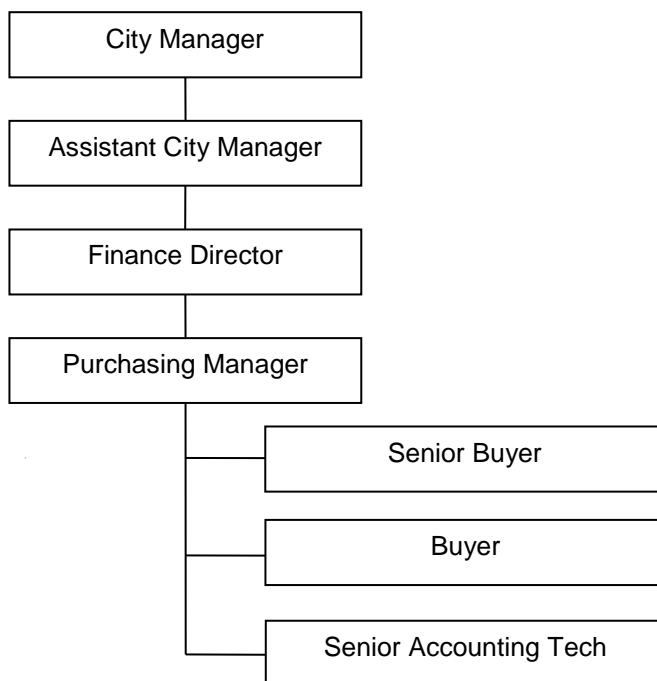
In accordance with the Political Reform Act of 1974, it is required that no employee or public official shall make, participate in making or in any way attempt to use his or her official position to influence a governmental decision in which he or she has a financial interest. In accordance with Section 87500 of the Government Code, certain designated employees and council members are required to disclose economic interests and are prohibited from participating in decisions that may have an effect on their financial interests.

Specifically, it is further required that no employee or elected official of the City shall participate in procedures, tasks or decisions relative to initiation, award or administration of a contract if a conflict of interest, real or apparent, exists. Such a conflict of interest arises when the employee or elected official, any member of his or her immediate family, his or her business associate, or an organization which employs or which is about to employ any of the above has a financial or other interest in a firm that participates in a City bidding process or that is selected for an award.

To assist in determining approval and bidding requirements based on the value of a purchase, *Reference Appendix, Exhibit A – Purchasing Guidelines*.

ORGANIZATION

The Purchasing Division is part of the Finance Department. The organizational structure for the division is as follows:



CONTACT INFORMATION

Purchasing should be the first point of contact when preparing to purchase products or services for the City.

Scott Briggs - Purchasing Manager	736-2272
Linda Degen - Senior Buyer	739-4969
JoAnn Baeza - Buyer	817-5742
Denise Burns – Senior Accounting Technician	736-2274

DELEGATION OF AUTHORITY

The City Manager is designated as the Purchasing Agent. The City Manager initially delegates the authority and responsibilities of the Purchasing Agent to the Finance Director.

The duties of the Purchasing Agent are further clarified and delegated as follows:

Finance Director

- Direct and supervise the City's purchasing functions
- Obtain full and open competition on all purchases to the extent possible
- Establish methods and procedures for efficient and economical functioning of Purchasing Division
- Develop and implement the Purchasing Policy and Procedures Manual
- Prescribe and maintain such forms as necessary
- Further delegate the duties of the Purchasing Agent to the Purchasing Manager as outlined below

Purchasing Manager

- Purchase or contract for materials, supplies, equipment and services
- Negotiate and recommend to City Council for execution of contracts for materials, supplies, equipment and services
- Review plans and specifications as required by CMC Chapter 3.08
- Inspection and testing of materials, supplies and equipment
- Maintain bidder, contractor and vendor lists and catalogs (excluding the qualified contractor list under CMC Section 3.08.100 (B))
- Ensure purchases are made with unencumbered appropriations
- Receive, review and approve purchase requisitions
- Ensure purchase orders, contracts and agreements are on forms approved by the City Attorney
- Records retention of bids received
- Review scope of services for professional services contracts
- Award purchases of materials, supplies and equipment for \$80,000 or less
- Review the form of contract for purchases of materials, supplies and equipment
- Administer the Local Bidder Preference Program
- Consider recycled product preference
- Act as the authorized contracting party for vehicle replacement
- Conduct formal and informal bidding procedures on non-public projects and public projects
- Review exceptions to competitive bidding and make recommendations to the City Manager pursuant to CMC Sections 3.08.130 and 3.08.140.
- Review and recommend proprietary projects / sole source product purchases pursuant to CMC Sections 3.08.100(E), 3.08.110(D) and 3.08.120(D)

The purchasing approval dollar amounts are pursuant to the informal bid limit prescribed by Section 22032 of the Public Contract Code. Certain other duties and responsibilities are designated and provided for as follows:

City Manager

- Approval of the Purchasing Policy and Procedures Manual
- Authority to declare a public emergency
- Approval of exceptions to competitive bidding as outlined in CMC Section 3.08.140
- Authorize, with countersignature of the Finance Director, the abandonment or destruction of surplus materials, supplies or equipment as outlined in CMC Section 3.08.150 (D). This authorization has been delegated to City Departments administering the surplus materials, supplies and equipment
- Authorize, with countersignature of the Finance Director, the donation of surplus materials, supplies or equipment as outlined in CMC Section 3.08.150 (E)
- Further designate others to perform duties in CMC Chapter 3.08

Assistant City Manager

- The duties of the City Manager as delegated

General Manager of the Department of Water and Power (DWP)

- Negotiate and execute agreements for the purchase and sale of natural gas, water, and electricity as outlined in CMC Section 3.08.140 (G)
- Approve the purchase and sale of natural gas, water and electricity utilizing the competitive open market for said commodities
- May delegate department staff to perform bidding of both informal and formal public works projects and non-public works projects, as well as the bidding of material, supplies and equipment, professional services, and maintenance and general services for DWP
- Maintain and operate the City's warehouse
- Purchase warehouse stock
- Administer surplus materials, supplies and equipment as provided for in CMC Section 3.08.150

City Engineer/Public Works Department

- Develop and maintain a qualified contractor list pursuant to CMC Section 3.08.100 (B)
- Review and approve plans and specifications for every project that may affect the operation of public improvements and may affect the City's liability for dangerous conditions
- May delegate, by written authorization, the duties of the City Engineer in CMC Chapter 3.08
- May conduct bidding for public projects
- Administer surplus fleet vehicles as provided for in CMC Section 3.08. May delegate administration of surplus fleet vehicles to DWP

Department Directors

- Award contracts or projects up to \$80,000
- The Public Works Director and DWP General Manager may award a project or contract up to \$125,000 bid according to either the public or non-public project informal bidding procedures. The Public Works Director may further delegate this authority to the Assistant Public Works Director. It may not be further delegated.
- May maintain departmental bidders, contractors and vendor lists or catalogs
- May delegate by written authorization to any subordinate that performs duties in an administrative assistant, supervisory or management capacity pursuant to the City's Signature Authorization form approved by the Finance Director and the City Manager
- May delegate department staff to perform bidding / contracting with approval of the Purchasing Manager

CONTRACT AND AGREEMENT FORMS

CONTRACTING AUTHORITY

- A. City Attorney – Approval of Form of Contracts (Model Agreements).
The City Attorney is appointed by the City Council for legal services. The City Council has also approved the use of the firm, Best, Best & Krieger. City Council may approve other legal firms at their discretion. Any and all contracts for legal services performed by firms other than the Council approved legal firms will require a preliminary review by the City Attorney before execution. The City Attorney must also approve any substantive modifications to Form of Contracts.
- B. Risk Management Division – Approval of insurance limits and all contract risk issues.
- C. Purchasing Manager – Ensure all contracts resulting from a bid conducted by the Purchasing Division are approved in accordance with sections A and B above.

CONTRACTING GUIDELINES

- A. Bidding - Departments may perform bidding / contracting for themselves (with approval of the Purchasing Manager). If the Department conducts a bid, they are responsible for generating, negotiating and finalizing the related contract(s). All solicitations for prices / proposals that will result in a contract must use the following procedures:
 - 1. When soliciting vendors for prices or proposals for anything that will need a contract, such as professional services, on-site work or large equipment purchases, provide all of the vendor(s) with: 1) a clearly written Scope of Work or List of Equipment Specifications, and 2) a copy of the Model Agreement that they will be required to sign.

2. Departments performing their own bidding should consult with Purchasing as to which Model Agreement is appropriate for their particular use.
 3. When reviewing bids or proposals, look for any contractual terms or conditions in the vendor's bid or proposal, and seek advice from Purchasing to ensure that the bids / proposals do not conflict with the contract(s).
- B. No Bid Contracts – Departments may negotiate contracts themselves, as follows:
1. Don't accept other agreements. When presented with a "proposal" which also includes contractual provisions, indicate to the consultant or other contractor that the City's Model Agreement will be used, but that much of the "scope of work" from the proposal will be used for Exhibit "A" of the Model Agreement.
 2. Follow all applicable municipal code competitive bidding requirements.
- C. Risk Management Division
1. Insurance coverage limits shall be approved by the Risk Management Division prior to soliciting bids and/or prior to sending a draft Model Agreement to a vendor for negotiation.
 2. An "Additional Insured" endorsement is required for Commercial General Liability Insurance (CGL). A contract with a vendor that fails to provide this endorsement shall not be finalized and work shall not be authorized to be performed unless 1) the endorsement is provided prior to beginning work, or 2) the Risk Management Division provides written approval waiving the endorsement requirement.
 3. A "Waiver of Subrogation" endorsement is required for Worker's Compensation Insurance (WC). A contract with a vendor that fails to provide this endorsement shall not be finalized and work shall not be authorized to be performed unless 1) the endorsement is provided prior to beginning work, or 2) the Risk Management Division provides written approval waiving the endorsement requirement.

CITY MODEL AGREEMENTS (revised as of May 2011)

A. Model Professional Services Agreement (Doc. # 601461.10)

Professional consultant (independent contractor) work, such as:

- Computer/Data Processing
- Environmental Review
- Financial
- Licensed Landscape Architect
- Registered Professional Engineer
- Licensed Professional Land Surveyor

B. Model Architect Agreement (Doc. # 600497.6)

This agreement is designed only to be used for an architect designing a building and working through construction.

C. Model Maintenance Services Agreement (Doc. # 603674.7)

Routine maintenance/repair work of a non-professional nature, such as:

- Landscape
- Traffic Signal
- Electrical
- Street Sweeping
- HVAC
- Plumbing

D. Model Letter Agreement (Doc. # 603681.8)

Small projects (not included in definition of “public project” under Public Contract Code §§ 20161 or 22002), such as professional, maintenance and repair jobs involving little money, complexity and risk.

E. Model Short-Form Construction Contract (Doc. # 611367.7)

Small or uncomplicated public works projects which do **not** require **formal** bidding.

IMPORTANT

THE DECISION TO USE A SHORT-FORM CONSTRUCTION CONTRACT IS NOT BASED ON THE DOLLAR AMOUNT OF THE CONTRACT ALONE. THE ACTIVITIES TO BE CONDUCTED MUST BE CONSIDERED. HAZARDOUS OPERATIONS WHERE THE OUTCOME COULD ENDANGER PEOPLE OR PROPERTY MAY REQUIRE A MORE DETAILED CONTRACT. PLEASE CONTACT THE RISK MANAGEMENT DIVISION WITH ANY QUESTIONS ABOUT HAZARD/RISK EVALUATION.

F. [Model Amendment to Professional Services Agreements \(Doc. # 55190.2\)](#)

To use when amending terms and conditions of an existing professional services agreement. This should always be used to amend City Council approved agreements.

G. [Model Amendment to Maintenance Services Agreements \(Doc. # 55191.2\)](#)

To use when amending terms and conditions of an existing maintenance services agreement. This should always be used to amend City Council approved agreements.

H. [Model Provision to be inserted in any non-City contract or agreement that involves the Water or Sewer Utility Systems \(Doc. # 70942.1\)](#)

To use for water or sewer utility systems non-Model Agreements, either drafted by the City or a third party.

GENERAL CONTRACT PRINCIPLES

A. Contract Interpretation

Although subject to a number of requirements imposed by statutory and case law, basic contract principles apply to the interpretation of contracts entered into by public entities. Civil Code Section 1635 provides:

“All contracts, whether public or private, are to be interpreted by the same rules, except as otherwise provided by this code.”

Civil Code Sections 1636 through 1656 set forth a number of rules for the interpretation of contracts. Since most contracts executed by public entities are prepared in their entirety by those public entities, particular attention should be paid to Civil Code Section 1654 which provides:

“In cases of uncertainty not removed by the preceding rules, the language of a contract should be interpreted most strongly against the party who caused the uncertainty to exist.”

B. Helpful Hints for Dealing with Model Agreements

1. Don't Accept Other Agreements

The City has approved Model Agreements for virtually every contractual situation, the City should not have to accept contracts from consultants or other contractors. When presented with a "proposal" which also includes contractual provisions, indicate to the consultant or other contractor that the City's Model Agreement will be used, but that much of the "scope of work" from the proposal will be used for Exhibit "A" of the model agreement.

2. Fill-In the Blank Models

The models are designed as "fill-in-the-blank" working documents. That is, wherever variable or project-specific information is called for, there are provided brackets that look like "[*** ____ ***]" for easy reference. This will allow for the search for these characters and quickly insert the needed information. All brackets and blanks should be removed before executing the agreement.

3. Negotiating Changes

Sometimes consultants will want to make minor (or not so minor) changes to the models. Please note that deviations in the text of the models must be reviewed and approved by the Risk Management Division and/or the City Attorney. Even a small word change, especially in the insurance and indemnification provisions, can have a significant impact on the interpretation of the contract. You should consult the Risk Management Division first - they will involve the City Attorney if necessary.

4. Attaching Exhibits

Be careful not to "blindly" attach exhibits to the Model Agreements. Oftentimes, proposals contain contradictory contractual information, usually at the end, so attaching the entire documents can create contradictory interpretations. The exhibits for each model should work as follows:

Model Professional Services Agreement:

- Exhibit "A" is for the Scope of Work only, so it should contain a description of the work or tasks to be performed.
- Exhibit "B" is for the project schedule or milestones, if any. If the consultant is to perform on an "as-needed" basis only, insert language such as "The Consultant shall perform its Services within any reasonable time frames established by the City's Representative." Provide turn around time deadlines, if appropriate. If you find that the Consultant has intermingled schedules or milestones within its Scope of Work, simply insert language such as "See Exhibit "A" for schedule/milestone information."
- Exhibit "C" is for the Consultant's rate schedule and reimbursable expense information. The rate schedule is important to establish hourly rates for extra work or change orders. With respect to the reimbursable expense information, do not be afraid to negotiate a reduction or elimination of some terms. A good example is the "overhead" or "surcharge" placed on third party expenditures. Anything above 10% or 15% seems unreasonable, and oftentimes they will eliminate the percentage mark-up altogether.

Model Maintenance Services Agreement:

- Same comments as with the Professional Services Agreement. However, Exhibit "B" should also be used to indicate whether Payment and Performance Bonds are required for the project.

Model Letter Agreement:

- This is designed to be a very simple agreement with an Exhibit "A" only, so both the Scope of Work and schedule/milestone information can be inserted in this exhibit. As with the other models, be careful not to include contradictory language. Departments using this agreement must contact the Risk Management Division for insurance requirements.

Model Short Form Construction Contract:

- Exhibit "A" is for the Plans and Specifications and/or General Conditions. Incorporate standard specifications or general conditions, if desired, such as the Caltrans Standard Specifications or the Greenbook. Be careful to make necessary adjustments within Exhibit "A" as well. Just as with the formal public works bid and contract set, adjustments are usually needed, but may not be as significant with a simpler project.
- Exhibit "B" is for the Special Conditions, which do not relate to Specification or General Condition information. An example would be project specific site protection information.
- Exhibit "C" is the required Workers' Compensation Labor Code Certification.

5. Insurance Provisions

With insurance provisions, it is particularly important not to agree to any changes without approval of the Risk Management Division and/or the City Attorney. Also, endorsements are absolutely necessary, since "certificates" of insurance provide no protection. Best's ratings can be found at www.ambest.com.

6. Indemnification

This is a provision about which you may receive a lot of suggested revisions. Again, consult with the Risk Management Division before agreeing to any changes.

7. Language "Below" the Signatures

Technically, any language "below" the signatures is not part of the agreement, which is why you will always see the exhibits referenced as "attached hereto and incorporated herein by reference." The act of incorporating the exhibits by reference into the agreement brings them "above" the signatures, at least from a legal standpoint. It is for this reason that you should not attach any additional exhibits without incorporating them

by reference into the agreement. Consult the City Attorney before adding any exhibits, to make sure they are incorporated properly and do not otherwise contradict the Model Agreement.

8. Attach Model Agreement to Any RFP

This is important, since it puts all consultants and other contractors on notice as to the required contract provisions. It will put the City in a good position with respect to negotiating requested changes to the model once the City identifies the intended consultant/contractor.

9. Payment Bonds and Notice of Completions

Civil Code Section 3247 mandates that the City require a payment bond for “public work” projects “involving an expenditure in excess of \$25,000.” Civil Code Section 3100 defines a “public work” as “any work of improvement contracted for by a public entity.” For “on-call” service agreements where a contractor will be providing a “work of improvement”, a payment bond will be required for individual projects which involve an expenditure of more than \$25,000. A Notice of Completion will need to be filed at the completion of the project. A payment bond will be required whenever a change order or amendment will increase the amount to be paid under the contract by 10% or more.

PROCESS FOR REQUESTING BIDDING OR PROPOSALS

To assist a department with the quote/bid process, please make sure approximately six (6) to eight (8) weeks is allowed to properly secure formal bids and two (2) to three (3) weeks for informal bids or proposals to be solicited and awarded. It is recommended that if you have a specific concern or need to expedite a purchase that you notify the Purchasing Division in advance. When requesting a solicitation of bids or proposals, complete the Request for Bidding form and submit to Purchasing. (*Reference Appendix, Exhibit D - Request for Bidding/Proposals Form*). Care must be exercised to avoid the use of specific products or brand names when the bidding process is to be used. Quotes will be secured as the brand name “or approved equal” when bids are requested. Purchasing will not change brands requested without approval by the department.

Preparing specifications or statements of work is usually a department function. Generally, departments have the greatest understanding of functional and performance requirements; however, Purchasing will take an advisory role in avoiding exclusionary specifications and encouraging free and open competition.

Provided all the necessary documentation has been included with the requisition, Purchasing shall complete the transaction by obtaining prices and/or bids as necessary and issuing a purchase order.

Note: A requisition and purchase order is not required for the following: payroll related expenses such as insurance or retirement payments as approved by City Council through the budget, other insurance premiums, petty cash, travel advances or reimbursements, utility payments, membership dues, subscriptions, debt service, various "pass-through" payments, and other mandated expenditures as defined in the ordinance. Claim forms should be used to pay these items.

All telecommunications equipment, computer equipment, and computer software must be requested and coordinated through the Information Technology Department. Information Technology may obtain authorization for purchases from departments by using the Infoweb Track It and Outlook e-mail systems.

FILING OF BID PROTESTS

In the absence of specific protest procedures in a City of Corona bid document the following procedures will apply.

Bidders may file a "protest" of a bid with the City's Purchasing Manager. In order for a bidder's protest to be considered valid, the protest must:

- A. Be filed in writing within five (5) calendar days after the posting of the bid summary.
- B. Clearly identify the specific irregularity or accusation.
- C. Clearly identify the specific City staff determination or recommendation being protested.
- D. Specify, in detail, the grounds of the protest and the facts supporting the protest.
- E. Include all relevant, supporting documentation with the protest at time of filing.

If the protest does not comply with each of these requirements, it will be rejected as invalid.

If the protest is valid, the City's Purchasing Manager, or designee, shall review the basis of the protest and all relevant information. The Purchasing Manager or designee will provide a written decision to the protestor.

ALTERNATIVE PROCEDURE

The following alternative bidding procedure is applicable to all purchases, including but not limited to public projects, professional services, maintenance and general services and materials, supplies and equipment in amounts of \$45,000 or less. **Insurance and a City approved Model Agreement are required if services are performed on City property.** The purchases may be awarded by the director of the department responsible for the purchases.

0 - \$5,000: Competitive bidding to be used at the discretion of the department

\$5,001 - \$10,000: Competitive bidding to be used at the discretion of the purchasing agent

\$10,001 - \$45,000: A minimum of three vendors shall be solicited for quotes or proposals; Contact the Purchasing Division to complete the bidding process.

Departments shall strive to obtain verbal price quotes from three or more potential contractors or suppliers, and accept the quote which is determined to be in the best interests of the City. Verbal price quotes shall be documented (listing the date, time, contact name) and provided as backup for a purchase requisition. It is important for departments to provide the Model Agreement to any bid solicitation or proposal. Doing so informs all consultants and other contractors of the required contract provisions.

PURCHASE REQUISITIONS

The purchase requisition is used to order the majority of goods and services through Purchasing. Departments must send an authorized purchase requisition to Purchasing for a purchase order to be generated using the IFAS System Workflow process. A purchase requisition is required for any and all purchases over \$5,000 and is issued by the user departments. (Refer to Limited Purchase Order for purchases under \$5,000.)

PROCEDURE

All requisitions need to be entered in the IFAS System Workflow process. The requisition may require several levels of approval depending upon the total dollar amount of the requisition. Once the requisition has received the appropriate approvals, the requisition is forwarded to the Purchasing Division to initiate the procurement. The Department Director or designee is responsible for its accuracy and completeness. At a minimum, the requisition should include a complete and accurate description of the item/service needed, quantity needed, the estimated dollar amount of the item/service, appropriate GL account number(s), prospective vendors (if known) and any other information necessary to fulfill the procurement. The Department Director or designee should ensure that the items or services requested are necessary and that sufficient funds are available. Confirming purchase orders are not acceptable without obtaining prior approval from the Purchasing Manager.

A confirming purchase occurs when a department makes a purchase before a purchase order number is issued. For example, authorizing a vendor to begin work before the Purchasing Division issues a purchase order. Similarly, obtaining goods or services on credit and subsequently submitting the invoice to accounts payable is a confirming purchase. All confirming purchases, regardless of the dollar amount, present problems for the Purchasing Division, Accounts Payable, vendors, and end-users.

In many cases, these transactions:

- Place the City at financial and credit risk and result in higher than necessary cost paid for products and services.
- Create unnecessary administrative efforts
- Bypass City encumbrance requirements
- Violate procurement policies and procedures

Confirming purchase orders that are not pre-approved by the Purchasing Manager will require a memo signed by the Department Director to be submitted to the Finance Director.

The completed and approved requisition authorizes Purchasing to proceed with processing the request. Departments are advised not to commence any work until final approval is obtained from the Purchasing Manager and, if necessary, the City Manager and/or City Council.

PURCHASE ORDERS

A purchase order is a contractual agreement issued by the City to purchase goods and/or services from a vendor and a promise to pay for those goods and services. It serves as the vendor's authorization to deliver goods and services and invoice as specified and agreed. The purchase order should include, but is not limited to, quantity, description, price, terms and conditions, and delivery location. Purchasing has established terms and conditions for all purchase transactions not utilizing a City approved agreement. Purchasing also issues purchase orders to authorize payment for public projects and provide a method for tracking expenditures.

The purchase order is a five-part form designated for distribution as follows:

White	Vendor copy – may be e-mailed, faxed or mailed to vendor
Blue	Department copy
White	Accounts payable copy - sent to A/P by Purchasing
Goldenrod	Receiving copy – sent to location receiving good/services*
Yellow	Purchasing copy – retained in Purchasing files

All goldenrod or receiving copies are sent to the department unless the goods are being delivered to the warehouse at 770 Public Safety Way. Upon receipt of the products in the warehouse, the department will be notified for further inspection and acceptance. Warehouse staff checks for any obvious mishandling or damage to boxes, but does not open boxes to check for internal damage or verify the quantities received inside of

boxes. After receipt of all the products listed on the purchase order, the warehouse will forward the goldenrod copy to the user department.

Upon issuance of the purchase order, prompt distribution of all the copies will occur to ensure proper delivery, receipt of goods and payment of goods and services.

(Reference Appendix, Exhibit E - Sample Purchase Order Form)

Services involving the performance of work on City property shall not be procured unless there is a fully-executed agreement for the work and the vendor has current insurance certificates and endorsements. If the department requesting the services is preparing the agreement, it is recommended that Purchasing review the agreement before the document is sent to the vendor for signature.

Purchasing will assist in securing executed agreements, business license (if required), and certificates of insurance and endorsements if requested. Failure to secure executed agreements and proper insurance and endorsements for services performed on City property renders the City unprotected against any subsequent claims by vendors. See the insurance section of the agreement to be used for general insurance requirements. Any deviation from these requirements must be coordinated with the Purchasing Manager and final approval authority rests with the Risk Management Division.

Purchases made from the same vendor under two or more purchase orders for the same or like items in a short period of time may be considered bid splitting and a circumvention of CMC Chapter 3.08. Such instances will be brought to the attention of the appropriate Department Director.

CANCELLATION

If the user department determines a purchase order needs to be cancelled, a change order request should be submitted to Purchasing with an explanation of cancellation.

PURCHASES APPROVED BY CITY COUNCIL

If the City Council has approved a purchase, the purchase requisition will not require additional signatures beyond the Department Director. A copy of the approved staff report must be attached to the requisition.

YEARLY AND BLANKET PURCHASE ORDERS

YEARLY PURCHASE ORDERS: The yearly purchase orders and blanket purchase orders are used by departments to purchase designated products or services on a repetitive basis from a specific vendor. Most are issued for the fiscal year and automatically close at the end of the fiscal year. Yearly purchase orders and blanket purchase orders can be issued unencumbered for services or products provided on an “as-needed” basis. This allows departments to allocate funds for the purchase of products or services to appropriate account numbers as needed.

Departments are encouraged to consider utilizing a yearly purchase order for repetitive purchases made on a regular basis throughout the year. This eliminates the need for issuing numerous requisitions or LPOs. Yearly purchase orders will be issued encumbered for reoccurring monthly fees or services. Yearly purchase orders are department specific.

BLANKET PURCHASE ORDERS: The Purchasing Division issues blanket purchase orders (BPO) to selected vendors on an annual basis for use by all City departments to procure repetitive, high volume, low dollar value items on a continuous basis.

At the beginning of the fiscal year, Purchasing makes arrangements with certain vendors to have open accounts for use by all City departments. A listing of those vendors who have been issued blanket purchase orders is available on the Infoweb by vendor name. The blanket order states the products or services available and the terms and conditions of the purchase. Purchases under a blanket order shall remain within the requirements of established alternative procedures. Any deviations from what is stated on the blanket order should be reported to Purchasing for action and resolution.

While blanket purchase orders are generated and negotiated by Purchasing, departments are encouraged to request adding or deleting vendors.

(Reference Appendix, Exhibit F - Yearly / Blanket Purchase Order Form)

LIMITED PURCHASE ORDER

The limited purchase order (LPO) is a method of procuring goods and services under \$5,000. An LPO does not require obtaining competitive quotations if the department determines that the price to be paid is fair and reasonable. Reasonable price determination is defined in the section titled "Glossary of Terms".

The limited purchase order is a four-part form used to administer such purchases and is issued at a department level.

PROCEDURE

The user department calls a vendor, places the order and gives the vendor the pre-printed LPO number. The department must complete the LPO, including account numbers and approval signature. The white copy of the completed form may be sent to the vendor via fax or mail, or may be destroyed if not needed by the vendor. After the item(s) have been received and accepted by the user department, the yellow copy is signed in the "received by" box, acknowledging receipt. The yellow copy and the original invoice are sent to accounts payable for processing. The pink copy is retained by the department. The blue copy is sent the Purchasing Division.

Services involving the performance of work on City property shall not be procured unless there is a fully-executed agreement for the work and the vendor has current insurance certificates and endorsements. If the department requesting the services is

preparing the agreement, it is recommended that Purchasing review the agreement before the document is sent to the vendor for signature.

Purchasing will assist in securing executed agreements, business license (if required), and certificates of insurance and endorsements if requested. Failure to secure executed agreements and proper insurance and endorsements for services performed on City property renders the City unprotected against any subsequent claims by vendors. See the insurance section of the agreement to be used for general insurance requirements. Any deviation from these requirements must be coordinated with the Purchasing Manager and final approval authority rests with the Risk Management Division.

Purchases made by LPO are one time purchases. Purchases made from the same vendor under two or more LPOs for the same or like items in a short period of time may be considered bid splitting and a circumvention of CMC Chapter 3.08. Such instances will be brought to the attention of the appropriate department head.

(Reference Appendix, Exhibit G - Limited Purchase Order Form and Instructions.)

CHANGE ORDERS

Change orders or amendments to contracts for all public and non-public projects are subject to the “next level of approval” process, where a change order is approved based on the cumulative value and the already established approval amounts for each level of approval.

(See CMC Sections 3.08.050 (H), 3.08.060 (J), 3.08.070 (I), 3.08.080 (I).)

Example: A materials purchase order is issued for \$80,000 for the Human Resources Department and the Department needs to increase it by \$2,000 making the new total purchase order \$82,000. Materials purchases of \$80,001 - \$125,000 require the approval of the Assistant City Manager, the Public Works Director (public works accounts and projects), or the General Manager of the Department of Water and Power (DWP accounts and projects). Therefore, this change order for \$2,000 now requires the approval of the Assistant City Manager because the new total of the purchase order changes the approval threshold.

Change orders for City Council-awarded purchases, projects and contracts are subject to the following percentage limits:

<u>Percentage over Council award</u>	<u>Authorization</u>
Up to 10%	Department Director (All department accounts)
Up to 15%	Assistant City Manager (All City accounts) DWP General Manager (DWP accounts and projects) Public Works Director (Public Works accounts and projects)
Up to 25%	City Manager (All City accounts)
> 25%	City Council

Change order authority up to 25% of City Council-awarded purchases, projects and contracts need not be specifically requested in agenda reports. Such authority lower or higher than 25% must be specifically stated in agenda reports. If a change order does not increase the total value of a purchase order, then the Department Director or delegate may authorize the change order.

Proper budget appropriations must be in place for the expenditure.

PROCEDURE

The change order form is located on the Infoweb under templates and needs to be submitted to Purchasing on blue paper. Instructions for completing the form are also available on the Infoweb under reference library. Change orders should not be automatically issued to cover invoices received for a higher amount. If the amount of the invoice exceeds the purchase order amount, contact the buyer responsible for the purchase and he/she will communicate with the vendor.

(Reference Appendix, Exhibit H - Request for Change Order Form)

PROPRIETARY PROJECTS OR SOLE SOURCE PRODUCTS

Proprietary projects or sole source products bidding procedures are governed by CMC Sections 3.08.100 (E), 3.08.110 (D) and 3.08.120 (D). These purchases are an exception to normal procurement procedures and require a detailed justification.

(Reference Appendix, Exhibit I - Proprietary Project / Sole Source Certification Form)

Departments are advised not to commence any work until final approval is obtained from the Purchasing Manager and, if necessary, the City Manager and/or City Council.

Authorizations for purchases resulting from the Sole Source / Proprietary Project Certification form are as follows:

\$10,001 - \$80,000	Purchasing Agent and Department Director*
\$80,001 - \$125,000	Purchasing Agent and Assistant City Manager
\$125,001 - \$175,000	Purchasing Agent and City Manager
> \$175,000	Purchasing Agent and City Council

* The Public Works Director and DWP General Manager may sign up to \$125,000 for Proprietary Projects / Sole Source Products

All purchases that are less than \$175,000 will require completion of the Proprietary Projects / Sole Source Products Certification Form and Department Director approval prior to submittal to the Purchasing Manager accompanied with a memorandum justifying the purchase. Department Director approval may be delegated to subordinate staff who have been authorized with full department authority limits.

All purchases that are greater than \$175,000 will require approval by City Council. If Council approval is required, do not use this form. Prepare an agenda report and include the Purchasing Manager as a reviewed by signature on the report.

EXCEPTIONS TO COMPETITIVE BIDDING

For public projects and non-public projects that are \$80,000 or less the Department Director will prepare a memo ("Department Memorandum") to the Purchasing Agent describing in detail the reason for the exception to competitive bidding.

For public projects that exceed \$45,000, follow the procedures listed in CMC Section 3.08.130.

For non-public projects that exceed \$80,000, the Department Director will prepare a memo ("Department Memorandum") to the Purchasing Agent describing in detail the reason for the exception to competitive bidding, citing the appropriate section from CMC Section 3.08.140.

For non-public projects that exceed \$175,000, City Council approval is required. The Department will describe in detail the reason for the exception to competitive bidding, citing the appropriate section from CMC Section 3.08.140.

Departments are advised not to commence any work until the Department Memorandum receives final approval from the Purchasing Manager and, if necessary, the City Manager and/or City Council. Once approval has been received, the following procedure shall be observed.

A. Emergencies

Pursuant to CMC Section 3.08.140 (A), Purchases shall be submitted to the Purchasing Division on a requisition form signed by the Department Director, accompanied by the approved Department Memorandum that certifies that the emergency situation makes competitive bidding, either formal or informal, impractical or not in the best interests of the City. The approval thresholds of such transactions are governed by the same amounts outlined in CMC Sections 3.08.060, 3.08.070, or 3.08.080 as applicable.

B. No Competitive Market

Pursuant to CMC Section 3.08.140 (B), Purchases shall be submitted to the Purchasing Division on a requisition form signed by the Department Director, accompanied by the approved Department Memorandum that certifies that a competitive market does not exist and that no competitive advantage will be gained by bidding. The approval thresholds of such transactions are governed by the same amounts outlined in CMC Sections 3.08.060, 3.08.070, or 3.08.080 as applicable.

C. Competitive Bidding Already Completed

Pursuant to CMC Section 3.08.140 (C), Purchases shall be submitted to the Purchasing Division on a requisition form signed by the Department Director, accompanied by the approved Department Memorandum that certifies that a competitive bid procedure has been conducted by another public agency such as CMAS, GSA, or WSCA and that the price to the City is equal to or better than the price to that public agency. The approval thresholds of such transactions are governed by the same amounts outlined in CMC Sections 3.08.060, 3.08.070, or 3.08.080 as applicable.

D. State Purchase

Pursuant to CMC Section 3.08.140 (D), Purchases shall be submitted to the Purchasing Division on a requisition form signed by the Department Director, accompanied by the approved Department Memorandum that certifies that the purchase is made on behalf of the City by the State Department of General Services. The approval thresholds of such transactions are governed by the same amounts outlined in CMC Sections 3.08.060, 3.08.070, or 3.08.080 as applicable.

E. Purpose of Bidding Is Otherwise Accomplished

Pursuant to CMC Section 3.08.140 (E), Purchases shall be submitted to the Purchasing Division on a requisition form signed by the Department Director, accompanied by the approved Department Memorandum that certifies that for non-public projects, it is in the best interest of the City and its administrative operations to dispense with public bidding. The approval thresholds of such transactions are governed by the same amounts outlined in CMC Sections 3.08.060, 3.08.070, or 3.08.080 as applicable.

F. No Bids Received

Pursuant to CMC Section 3.08.140 (F), Purchases shall be submitted to the Purchasing Division on a requisition form signed by the Department Director, accompanied by the approved Department Memorandum that certifies that a competitive bid was conducted following the bidding procedures as outlined in CMC Section 3.08.110 or CMC Section 3.08.120 as applicable, that no bids were received and that the purchase is in the best interests of the City. The approval thresholds of such transactions are governed by the same amounts outlined in CMC Sections 3.08.060, 3.08.070, or 3.08.080 as applicable.

G. Natural, Gas, Water and Electricity Purchases

Pursuant to CMC Section 3.08.140 (G), The General Manager of the Department of Water and Power or his or her designee is authorized to negotiate and execute, on behalf of the City, agreements with privately owned, federally owned, state owned and locally owned entities for the wholesale purchase and sale of natural gas, water, economy energy, replacement energy, replacement capacity and transmission service to deliver such natural gas, water and energy to Corona or such other locations as may be appropriate without competitive bidding within the budget approved by the City Council. Such purchases shall be submitted to the Purchasing Division on a requisition form signed by the General Manager, accompanied by either language on the requisition or a memorandum signed by the General Manager that certifies that the price is competitive and that the purchase is in the best interests of the City.

H. Library Purchases

Pursuant to CMC Section 3.08.140 (H), The Library Director is authorized to negotiate and execute, on behalf of the City, contracts for the purchase of library materials without competitive bidding within the budget approved by the City Council. Such purchases shall be submitted to the Purchasing Division on a requisition form signed by the Library Director, accompanied by either language on the requisition or a memorandum signed by the Library Director that certifies that the price is competitive and that the purchase is in the best interests of the City. The approval thresholds of such transactions are governed by the same amounts outlined in CMC Section 3.08.080. The Library Director may delegate his or her signature authority on the approved Signature Authorization form.

I. Mandated Expenditures

Pursuant to CMC Section 3.08.140 (I), Such purchases shall be submitted to the Purchasing Division on a requisition form signed by the Department Director, accompanied by either language on the requisition or a memorandum signed by the Department Director that certifies that the price is mandated by law or regulation or is non-negotiable.

J. Otherwise Authorized

Pursuant to CMC Section 3.08.140 (J), Such purchases shall be submitted to the Purchasing Division on a requisition form signed by the Department Director, accompanied by either language on the requisition or a memorandum signed by the Department Director that certifies that the purchase is authorized by an applicable law.

STATE, FEDERAL AND GRANT FUNDING

Any purchases made with state, federal or grant funds shall comply with all laws, rules and regulations made applicable by the funding source. [See CMC Section 3.08.040 (L)] The requesting Department shall be responsible for meeting all such compliance requirements. For Housing and Urban Development / Community Development Block Grant (HUD / CDBG) funded projects, *Reference Appendix, Exhibit B – Purchasing Guidelines for HUD / CDBG Funded Projects.*

INFORMAL FEDERAL PROCUREMENT METHODS FOR HUD/CDBG

Not less than three (3) verbal price quotations should be sought whenever practical. Verbal prices must be documented by completing the Informal Federal Procurement Bid Sheet for HUD/CDBG Funded Projects, *Reference Appendix, Exhibit C.* Awarding an informally bid project without three price or rate quotations documented in the file is a risky proposition that can result in the disallowance of costs (i.e. loss of federal dollars to the City). A “No Bid” or no response is not sufficient.

Not less than three (3) written price quotations should be obtained whenever it is not practical to obtain verbal quotations, particularly under the following circumstances:

1. The vendor is unwilling or is unable to provide a verbal quotation;
2. The work tasks or specifications cannot be readily described verbally (e.g., non-commercial services or items) or other information must be provided to vendors (e.g., wage determinations, specifications, contract/agreement sample, etc.);
3. A large variety of items are required making verbal description impractical or infeasible; or,

4. The Purchasing Manager otherwise determines a written quotation is most appropriate for a particular transaction.

LOCAL BIDDER PREFERENCE PROGRAM

In an effort to foster economic sustainability and strengthen local economic activity, the City Council has made certain findings and approved a Local Bidder Preference Program (Program). (Refer to CMC Section 3.08.060 (M) and Section 3.08.080 (J).) To be eligible to qualify for this Program, a Local Business (as defined in the ordinance) must demonstrate that it (i) has fixed facilities with employees located at a business address within City limits (a post office box or residence is insufficient); and (ii) has an appropriate City business license/permit. A Local Business seeking to qualify for this Program shall provide supporting information and certify in writing that it meets the above requirements as part of its bid. The Program allows for a 5% Local Business preference on competitive bids received for maintenance work and other general services projects and purchases of materials, supplies and equipment up to a maximum contract/purchase amount of \$200,000. For recurring purchases, the Local Program shall be applicable only to the City's first \$200,000 worth of such purchases for any fiscal year, as determined by city staff in its sole discretion. For such recurring purchases, the bidding documents shall indicate whether or not the Local Program is in effect for the applicable procurement. If the Local Program is applicable to a bid offering, it shall be noted in the applicable bid solicitation. The Program shall be applicable to all such purchases or contracts that are competitively bid, unless otherwise required by law (i.e. special state or federal grant programs).

If this Program is applicable to a bid offering, it shall be noted in the bid solicitation. In applying the Program to bids on a City contract or purchase subject to the Program, a qualifying Local Business shall be entitled to a reduction of 5%, in the tabulation of its bid for purposes of determining the lowest responsible bidder.

The Local Program may also establish a preference for purchases of materials, supplies, and equipment, as well as contracts for maintenance work and other general services, which are competitively bid and which involve an expenditure of more than \$200,000. Such preference shall allow the City to take into consideration the net sales tax to be returned to the City as a result of an award to a qualifying Local Business in determining the lowest responsive and responsible bidder. The net sales tax shall be calculated based on the applicable bid price provided by the bidder in accordance with the City's purchasing policy.

This Program does not apply to bids or requests for professional services proposals; however, City departments should make every effort to invite local vendors to participate by way of direct solicitation and coordination with local business organizations. Departments are encouraged to select a local firm for professional service contracts as long as all specifications are met and pricing is competitive.

This Program does not apply to City bids for public projects.

RECYCLED PRODUCT PREFERENCE POLICY

Pursuant to CMC Section 3.08.080 (K), this policy applies to the City's informal and formal bidding procedures for the procurement materials, supplies, and equipment described in section B below.

A. The following definitions apply to this policy:

1. Except as provided in subparagraph (2), "Recycled product" means all materials, goods, and supplies, no less than 50 percent of the total weight of which consists of secondary and post-consumer material with not less than 10 percent of its total weight consisting of post-consumer material.
2. A "recycled product" also means other flat rolled steel products no less than 25 percent of the total weight of which consists of secondary and post-consumer material, with not less than 10 percent of total weight consisting of post-consumer material. Products made with flat rolled steel meeting these content percentages include, but are not limited to, automobiles, cans, appliances, and office furniture and supplies.
3. "Post-consumer material" means a finished material that would have been disposed of as a solid waste, having completed its life cycle as a consumer item, and does not include manufacturing wastes.
4. "Secondary material" means fragments of finished products or finished products of a manufacturing process that has converted a resource into a commodity of real economic value, and includes post-consumer material, but does not include excess virgin resources of the manufacturing process.

B. This section applies to the procurement and purchase of materials, supplies, and equipment containing the following recycled resources and meeting the specified recycled content requirements in Section A of this policy:

- Recycled paper products, which include, but are not limited to, fine 1grades of paper, corrugated boxes, newsprint, tissue, and toweling
- Compost and co-compost products
- Glass
- Oil
- Plastic
- Solvents and paint, including water-based paint
- Tires
- Steel

C. All bidders will be required to specify the minimum, if not exact, percentage of recycled product in the materials, supplies, and equipment offered, both the post-consumer and secondary waste content, whether or not the product meets the

percentage of recycled product required pursuant to Section A above. The bidder may certify that the product contains zero recycled content.

- D. The City shall give a 10% price preference to bids consisting of at least 50% recycled products, if the product's fitness, quality, and availability are comparable to non-recycled products being offered.
- E. The combined dollar amount of preference granted pursuant to this section shall not exceed fifty thousand dollars (\$50,000) for a single bid or procurement.
- F. Fitness and quality being equal, the City shall endeavor to purchase recycled products instead of virgin products whenever available at no more than the total cost of the virgin materials.

FUEL PURCHASES

The Public Works Department is responsible for the purchase of fuel for the City's vehicles. Due to the volatile nature of oil prices, the City buys fuel on the spot market in order to get the lowest and best price. Bids are solicited for each purchase from a list of active vendors, and the vendor with the lowest price is awarded the bid for that delivery. The amounts of each purchase are within the threshold for informal bidding and the approval threshold of the Public Works Director.

These purchases are handled administratively through the issuance of annual purchase orders rather than separate purchase orders for each transaction. The requirements for informal bids are met for each purchase and Public Works is responsible for providing copies of the informal bids on each transaction to the Purchasing Division.

PROCEDURES FOR EMERGENCY PURCHASE ORDERS

Emergency Purchase Orders are to be used only when computer generated purchase orders are not able to be completed, typically when the Emergency Operations Center has been activated.

The Purchasing Agent is the only authorized signature for Emergency Purchase Orders. The Purchasing Agent can be an individual who has been granted Purchasing Agent status from the Emergency Operations Center. Emergency Purchase Orders must be signed prior to disbursement to a vendor. The vendor receives only the white copy of the Emergency Purchase Order.

If an employee other than the Purchasing Agent is delivering the Emergency Purchase Order to a vendor and receiving goods, the employee will sign the "Received By" box only.

Purchasing will review all completed Emergency Purchase Orders and enter into the computer accounting system before the remaining copies are distributed.

(Reference Appendix, Exhibit J - Emergency Purchase Order Form)

CREDIT CARD PURCHASES

The Finance Department will issue City credit cards on a limited basis to regular employees as approved by the Finance Director and City Manager. All purchases are to be in conformance with the City's Purchasing Ordinance and in conjunction with City business. Refer to the City Credit Card Policy as posted on the Infoweb.

FURNITURE PURCHASES

All procurements and/or reconfigurations of office furniture are to be managed by each individual department. The following guidelines must be followed:

- A. Furniture purchases and reconfigurations for the City Hall must use manufacturer Kimball, "Excite" furniture line. Contact distributor Systems Source Inc. of Irvine, Rep. Kimberly Kirksey, Phone (949) 224-0439, Fax (949) 870-3569, Cell (949) 413-4404, email: kkirksey@systemssource.com.
- B. Furniture purchases and reconfigurations for the Police Facility located at the Corporation Yard must use manufacturer Steelcase, "Answer" furniture line. Steelcase "Answer" is distributed through BKM Officeworks of San Diego. Contact Rep. Mike Ziegelbauer at (858) 569-4777 or cell (858) 864-5091, email: mziegelbauer@bkmsd.com
- C. Furniture purchases and reconfigurations for the Corporation Yard Buildings located at 735 and 755 Corporation Yard Way must use manufacturer Allsteel, "Terrace" furniture line or Gunlocke furniture lines. These furniture lines are distributed through Corporate Business Interiors (CBI) of Brea. Contact Rep. Lyn Vernazza at (714) 671-0988, email: lyn@cbimail.com
- D. Furniture purchases and reconfigurations for other city facilities must follow City purchasing guidelines. *Reference Appendix, Exhibit A – Purchasing Guidelines*

Furniture Purchases must use the following procedures:

- A. The requesting department shall notify the Building / Facilities Maintenance Supervisor of the planned purchase and reconfiguration via e-mail prior to contacting the appropriate furniture representative.
- B. The requesting department will contact the appropriate furniture representative.
- C. The department, together with the Building / Facilities Maintenance Supervisor, will meet with the furniture representative to review design and the use of any and all available used furniture and parts stored in the Warehouse.
- D. The furniture representative shall provide a proposal to the department which includes all costs for design, use of furniture and parts stored in the Warehouse (Spare Parts), updating of Spare Parts database, and installation / shipping / applicable taxes.

- E. The department is required to notify the following City departments when the scheduled new furniture or re-configuration is to be delivered.
- Warehouse: The requestor shall be responsible for notifying the Warehouse via e-mail at least 72 hours prior to scheduling any work that involves the furniture representative gaining access to the Warehouse.
 - Public Works Facility Maintenance: The requestor shall notify the Building/Facility Maintenance Supervisor (736-2405) at least 72-hours in advance of any work requiring access to facilities.
 - Building Department: Proper permits shall be obtained via the building permit process to include: electrical load survey, ADA compliance, and change of use requirements.

PROCEDURES FOR DISPOSAL OF SURPLUS MATERIALS, SUPPLIES AND EQUIPMENT

Departments shall complete the Request to Surplus Materials, Supplies and Equipment Form located on the InfoWeb under templates for the Department of Water and Power (DWP) and submit the form to the Customer Service Manager in DWP.

Departments with surplus computer equipment and printers (excluding Konica Minolta copiers) should contact the Information Technology Department.

Konica Minolta copiers and similar copying equipment must have the internal memory erased before they are sold public auction. Departments are responsible to ensure the internal memory is erased. Contact the equipment manufacturer or your copier service provider.

If the surplus item was purchased using grant funds, all proceeds from the sale of the surplus item shall be returned to the grant fund. Notify the Finance Department General Accounting Division when the disposal of surplus involves items procured with grant funds.

Surplus City fleet vehicles and equipment will be approved for surplus by the Purchasing Agent or his or her designee per Corona Municipal Code Sections 3.08.150 (B) and (C). The Purchasing Agent designates the Public Works Department to evaluate if a fleet vehicle can be reused or sold as surplus. DWP will be responsible for selling and transferring the title of the vehicle per all applicable State and Federal laws.

DWP will evaluate the surplus items and categorize the items. Surplus items are separated into four categories:

Category One:

Surplus equipment, which still has some useful life

Category Two:

Surplus equipment no longer needed by the City but still has a resale or scrap value

Category Three:

Surplus equipment which can be donated or given to authorized governmental agencies and/or non-profit organizations

Category Four:

Surplus equipment which has no useful service life, is unsuitable or it is not economical to repair or restore to service

The following procedures will be implemented and be applied by category:

Category One

Surplus equipment which still has some useful life to be transferred to another City department. This determination will be made by the Purchasing Agent or his or her designee. The useful life determination for all surplus computer equipment will be made by the Information Technology Department.

Category Two

Surplus equipment no longer needed by the City but still has a resale or scrap value

- Surplus equipment that has been determined by the Purchasing Agent to no longer have any type of internal value or usage to the City may now be offered to the public through public auction.
- The department requesting to dispose of the equipment shall recommend a minimum bid for surplus equipment. The method used to establish a minimum bid may be one or more of the following:
 1. Market research
 2. Salvage value determined at the time of purchase
 3. Appraisal performed by an independent appraisal firm
- In the event that the surplus equipment is not sold during the public auction stage the Purchasing Agent may then re-categorize the surplus equipment to a "Category Three" level.

Category Three

Surplus equipment which can be donated or given to authorized governmental agencies and/or non-profit organizations shall be offered to a qualified list of organizations on file with the Finance Department. Category Three surplus equipment will require the approval of the City Manager and the Finance Director pursuant to Corona Municipal Code Section 3.08.150 (E).

Category Four

Surplus equipment which has no useful service life, is unsuitable or is not economical to repair or restore to service:

- Items classified as “Category Four” shall be disposed of in a manner determined to be in the best interest of the City. DWP shall make a good faith effort to dispose of by public sale and/or donation to authorized organizations. If the City is not successful in its good faith efforts, the items may be legally disposed of by either sending them to recyclers and/or hauled away as rubbish.

Surplus Auction Procedures:

- Methods of auction: The City can place items to be auctioned on a website approved by the Purchasing Agent that is available to the general public, or may choose to send the items to an auctioneer on contract with the City. The Purchasing Agent shall maintain a list of eligible websites.
- Any items placed on a website for surplus shall be placed for a minimum 15-day auction time period.
- The minimum bid shall be determined by the donating department and DWP.
- All surplus merchandise is sold “as is, where is.”
- Pursuant to Corona Municipal Code 3.08.150 (F), City officials and employees, and their immediate families are prohibited from purchasing surplus supplies and equipment. Retired service animals may be purchased by their primary handler.

DONATION OF SURPLUS

The City Manager and Finance Director will consider the donation of surplus materials, supplies or equipment that have no commercial value or would require an expenditure of funds for continued care, handling, maintenance or storage which would exceed the estimated value. All donations are to be in conformance with the City’s Donation Policy. (*Reference Appendix, Exhibit O - Donation of Surplus Property*) Refer to Administrative Policy No. 300.11 as posted on the Infoweb.

INSURANCE REQUIREMENTS

The following insurance requirements should apply to most City approved contracts and agreements for work performed on City property. Generally, the City of Corona will require contractors to provide evidence of current General Liability insurance in the amount of \$1,000,000 per occurrence, with an endorsement to name the City of Corona as an additional insured; Auto insurance of \$1,000,000 per occurrence; Workers' Compensation coverage with statutory limits; Employer's Liability of \$1,000,000 per occurrence; and a Workers' Compensation Waiver of Subrogation endorsement. **Contracts with unusual hazards or risks should be reviewed by the City's Risk Management Division prior to sending a contract to a vendor or including it in a bid solicitation.** Each City approved agreement will provide the complete details of the insurance requirements. Any requested changes to the insurance requirements must be reviewed and approved by the City's Risk Management Division.

GLOSSARY OF TERMS

Advertising (also notice inviting bids/proposals) - The placement of a public notice in an established newspaper or other publication according to legal requirements to inform the public the City is requesting bids on specific goods or services.

Alternative Procedure – See CMC Section 3.08.010 (B).

California Uniform Public Construction Cost Accounting Procedure – See CMC Sections 3.08.010 (A), 3.08.090.

Cooperative purchasing – See CMC Section 3.08.140 (C).

Emergency – A sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services. Per California Public Contract Code Section 1102.

Emergency purchase – See CMC Sections 3.08.010 (H), 3.08.130 (A), 3.08.140 (A).

Finance Director – Initially designated as the purchasing agent for the City. Responsible for the administration of the purchasing function of the City under the direction of the City Manager.

F.O.B. – “Free on Board” is a term that specifies three legal issues for a shipment of goods: (1) who pays the carrier, (2) where legal title to the goods shipped passes to the buyer and (3) who is responsible for preparing and pursuing legal claims with the carrier in the event goods are lost or damaged in shipment.

Force account - Any work that is performed by current City staff (force).

Formal bid - A bid that must be performed pursuant to CMC Sections 3.08.050 (D), 3.08.060 (D), 3.08.070 (D), 3.08.080 (D), 3.08.090 et seq., 3.08.110 et seq.

General services – See CMC Section 3.08.010 (J).

Informal bid – A bid that must be performed pursuant to CMC Sections 3.08.050, 3.08.060, 3.08.070, 3.08.080, 3.08.100, 3.08.120.

Limited purchase order (LPO) – A low value, unencumbered purchase order used by departments for procurements of \$5,000 or less. Work to be performed on City property of a value up to \$5,000 may be made with the LPO only after a fully executed agreement, valid insurance certificates with endorsements and City of Corona business license have been received from the vendor.

Local business – The vendor (i) has fixed facilities with employees located at a business address within City limits (a PO Box or residence is insufficient); and (ii) has an appropriate City business license/permit. See CMC Section 3.08.080 (J).

Maintenance work – See CMC Section 3.08.010 (K).

Piggyback – (See Cooperative Purchasing).

Professional services – See CMC Section 3.08.010 (M).

Proprietary Projects or Products – See CMC Sections 3.08.100 (E), 3.08.110(D), 3.08.120 (D).

Public works project – See CMC Section 3.08.010 (L).

Purchase order (PO) – See CMC Section 3.08.040 (I).

Purchasing Agent – See CMC Section 3.08.010 (P).

Reasonable price determination – A “reasonable price” is a price that does not exceed that which would be incurred by a prudent person in the conduct of a competitive business. A reasonable price is established by market test, price or cost analysis, or through the experience and judgment of the purchasing agent or designee. Such judgment considers total value to the City. There is a value to the City in purchases which meet the City’s needs, such as those involving quality, quantity, delivery and service. A reasonable price need not be the lowest price available, but is one which offers the highest total value to the City.

Request for proposal (RFP) – All documents, whether attached or incorporated by reference, utilized for soliciting competitive proposals.

Request for quote (RFQ) – A formal or informal solicitation of price quotes.

Responsible bidder - a bidder who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the contract.

Responsive bidder - a person who has submitted a bid that conforms in all material respects to the bid request.

Sole Source Products – See CMC Section 3.08.110 (D), 3.08.120 (D).

Surplus materials, supplies and equipment – See CMC Section 3.08.150.

Workflow – City of Corona IFAS On-line requisition program and process for approval.

Work of Improvement – California Civil Code Section 3106 defines “work of improvement” as follows: "Work of improvement" includes but is not restricted to the construction, alteration, addition to, or repair, in whole or in-part, of any building, wharf, bridge, ditch, flume, aqueduct, well, tunnel, fence, machinery, railroad, or road, the seeding, sodding, or planting of any lot or tract of land for landscaping purposes, the filling, leveling, or grading of any lot or tract of land, the demolition of buildings, and the

removal of buildings. Except as otherwise provided in this title, "work of improvement" means the entire structure or scheme of improvement as a whole.

APPENDIX

EXHIBIT A – Purchasing Guidelines

TYPE OF PURCHASE	CODE SECTION	PROCUREMENT AMOUNT	AUTHORIZATION	METHOD OF PROCUREMENT	CITY AGREEMENT	REVIEW REQUIREMENTS	CHANGE ORDERS
Public Project	3.08.050	\$0 - \$45,000	Director	By Alternative procedures as established in the Policies and Procedures Manual	Yes	City Engineer*	Up to cumulative total of PO advances to next approval level.
		\$45,001 - \$80,000	Director	Public Project Informal bidding procedure	Yes	City Engineer*	Up to cumulative total of PO advances to next approval level.
		\$80,001 - \$125,000	PW Director / DWP GM / ACM	Public Project Informal bidding procedure	Yes	City Engineer*	Up to cumulative total of PO advances to next approval level.
		\$125,001 - \$175,000	City Manager	Public Project Informal bidding procedure	Yes	City Engineer*	Up to cumulative total of PO advances to next approval level.
		>\$175,000	City Council	Public Project Formal bidding procedure	Yes	City Council	Up to 25% per Ordinance or as authorized by Council.
Maintenance & General Services	3.08.060	\$0 - \$45,000	Director	By Alternative procedures as established in the Policies and Procedures Manual	Yes	City Engineer* & Purchasing Agent	Up to cumulative total of PO advances to next approval level.
		\$45,001 - \$80,000	Director	Non-Public Project Informal bidding procedure	Yes	City Engineer* & Purchasing Agent	Up to cumulative total of PO advances to next approval level.
		\$80,001 - \$125,000	PW Director / DWP GM / ACM	Non-Public Project Informal bidding procedure	Yes	City Engineer* & Purchasing Agent	Up to cumulative total of PO advances to next approval level.
		\$125,001 - \$175,000	City Manager	Non-Public Project Informal bidding procedure	Yes	City Engineer* & Purchasing Agent	Up to cumulative total of PO advances to next approval level.
		>\$175,000	City Council	Non-Public Project Formal bidding procedure	Yes	City Council	Up to 25% per Ordinance or as authorized by Council.
Professional Services	3.08.070	\$0 - \$45,000	Director	By Alternative procedures as established in the Policies and Procedures Manual	Yes	Purchasing Agent	Up to cumulative total of PO advances to next approval level.
		\$45,001 - \$80,000	Director	Non-Public Project Informal bidding procedure	Yes	Purchasing Agent	Up to cumulative total of PO advances to next approval level.
		\$80,001 - \$125,000	PW Director / DWP GM / ACM	Non-Public Project Informal bidding procedure	Yes	Purchasing Agent	Up to cumulative total of PO advances to next approval level.
		\$125,001 - \$175,000	City Manager	Non-Public Project Informal bidding procedure	Yes	Purchasing Agent	Up to cumulative total of PO advances to next approval level.
		>\$175,000	City Council	Non-Public Project Formal bidding procedure	Yes	City Council	Up to 25% per Ordinance or as authorized by Council.
Materials, supplies & equipment	3.08.080	\$0 - \$45,000	Purchasing Agent / Director	By Alternative procedures as established in the Policies and Procedures Manual	No	Purchasing Agent & Director	Up to cumulative total of PO advances to next approval level.
		\$45,001 - \$80,000	Director	Non-Public Project Informal bidding procedure	No	Purchasing Agent & Director	Up to cumulative total of PO advances to next approval level.
		\$80,001 - \$125,000	PW Director / DWP GM / ACM	Non-Public Project Informal bidding procedure	No	Purchasing Agent & Director	Up to cumulative total of PO advances to next approval level.
		\$125,001 - \$175,000	City Manager	Non-Public Project Informal bidding procedure	No	Purchasing Agent & Director	Up to cumulative total of PO advances to next approval level.
		>\$175,000	City Council	Non-Public Project Formal bidding procedure	No	City Council	Up to 25% per Ordinance or as authorized by Council.

* If the project affects the design or operation of public improvements or creates a dangerous condition of public property.

EXHIBIT B – Purchasing Guidelines for HUD/CDBG Funded Projects

TYPE OF PURCHASE	CITY CODE SECTION	PROCUREMENT AMOUNT	SIGNATURE AUTHORIZATION	METHOD OF PROCUREMENT	ACCEPTABLE OUTCOME	REVIEW REQUIREMENTS	CITY AGREEMENT	CHANGE ORDERS
Public Project	3.08.050	\$0 - \$45,000	Director	By informal federal procurement methods § 85.36(d)1&3	Receipt of 3 written bids	City Engineer* & CDBG Coordinator	Yes	Up to cumulative total of PO advances to next approval level.
		\$45,001 - \$80,000	Director	City of Corona Public Project Informal bidding procedure	Receipt of 3 written bids	City Engineer* & CDBG Coordinator	Yes	Up to cumulative total of PO advances to next approval level.
		\$80,001 - \$100,000	PW Director/DWP GM/ACM <= \$125,000	City of Corona Public Project Informal bidding procedure	Receipt of 3 written bids	City Engineer* & CDBG Coordinator	Yes	Up to cumulative total of PO advances to next approval level.
		>\$100,000	City Manager <= \$175,000 City Council > \$175,000	City of Corona Public Project Formal bidding procedure	Receipt of 2 or more written, sealed bids	City Council	Yes	Up to 25% per Ordinance or as authorized by Council.
Maintenance & General Services	3.08.060	\$0 - \$45,000	Director	By informal federal procurement methods § 85.36(d)1&3	Receipt of 3 written bids	City Engineer*, Purchasing Agent & CDBG Coordinator	Yes	Up to cumulative total of PO advances to next approval level.
		\$45,001 - \$80,000	Director	City of Corona Non-Public Project Informal bidding procedure	Receipt of 3 written bids	City Engineer*, Purchasing Agent & CDBG Coordinator	Yes	Up to cumulative total of PO advances to next approval level.
		\$80,001 - \$100,000	PW Director/DWP GM/ACM <= \$125,000	City of Corona Non-Public Project Informal bidding procedure	Receipt of 3 written bids	City Engineer*, Purchasing Agent & CDBG Coordinator	Yes	Up to cumulative total of PO advances to next approval level.
		>\$100,000	City Manager <= \$175,000 City Council > \$175,000	City of Corona Non-Public Project Formal bidding procedure	Receipt of 2 or more written, sealed bids	City Council	Yes	Up to 25% per Ordinance or as authorized by Council.
Professional Services	3.08.070	\$0 - \$45,000	Director	By informal federal procurement methods § 85.36(d)1&3	Receipt of 3 written bids	Purchasing Agent & CDBG Coordinator	Yes	Up to cumulative total of PO advances to next approval level.
		\$45,001 - \$80,000	Director	City of Corona Non-Public Project Informal bidding procedure	Receipt of 3 written bids	Purchasing Agent & CDBG Coordinator	Yes	Up to cumulative total of PO advances to next approval level.
		\$80,001 - \$100,000	PW Director/DWP GM/ACM <= \$125,000	City of Corona Non-Public Project Informal bidding procedure	Receipt of 3 written bids	Purchasing Agent & CDBG Coordinator	Yes	Up to cumulative total of PO advances to next approval level.
		>\$100,000	City Manager <= \$175,000 City Council > \$175,000	City of Corona Non-Public Project Formal bidding procedure	Receipt of 2 or more written, sealed proposals	City Council	Yes	Up to 25% per Ordinance or as authorized by Council.
Materials, supplies & equipment	3.08.080	\$0 - \$45,000	Purchasing Agent / Director	By informal federal procurement methods § 85.36(d)1&3	Receipt of 3 written bids	Purchasing Agent, Director & CDBG Coordinator	No	Up to cumulative total of PO advances to next approval level.
		\$45,001 - \$80,000	Director	City of Corona Non-Public Project Informal bidding procedure	Receipt of 3 written bids	Purchasing Agent, Director & CDBG Coordinator	No	Up to cumulative total of PO advances to next approval level.
		\$80,001 - \$100,000	PW Director/DWP GM/ACM <= \$125,000	City of Corona Non-Public Project Informal bidding procedure	Receipt of 3 written bids	Purchasing Agent, Director & CDBG Coordinator	No	Up to cumulative total of PO advances to next approval level.
		>\$100,000	City Manager <= \$175,000 City Council > \$175,000	City of Corona Non-Public Project Formal bidding procedure	Receipt of 2 or more written, sealed bids	City Council	No	Up to 25% per Ordinance or as authorized by Council.

* If the project affects the design or operation of public improvements or creates a dangerous condition of public property.

EXHIBIT C – Informal Federal Procurement Bid Sheet for HUD/CDBG

INFORMAL FEDERAL PROCUREMENT BID SHEET FOR HUD/CDBG FUNDED PROJECTS

[Department Name]
DEPARTMENT

Item Description / Specifications	Quantity:
<p>[Item description - For example, 4 letter-sized wooden clipboards, 40 blue ball-point pens, 4 boxes staples, 4 staplers, 4 2-hole punches, 100 legal sized classification folders (any color), 1 box copy paper - standard grade white]</p>	

OBTAIN AT LEAST THREE (3) BIDS OR PRICE QUOTATIONS

Vendor Name, Address, Phone, and Contact Person	Bid Method	Unit Cost (Quote)	TOTAL (Contract Price)
Vendor Name: Address: Phone: Contact Person: Date of Contact:	<input type="checkbox"/> Written <input type="checkbox"/> Verbal		
Vendor Name: Address: Phone: Contact Person: Date of Contact:	<input type="checkbox"/> Written <input type="checkbox"/> Verbal		
Vendor Name: Address: Phone: Contact Person: Date of Contact:	<input type="checkbox"/> Written <input type="checkbox"/> Verbal		

ATTACH BIDS RECEIVED IN WRITING

Print Name of Person Obtaining Bids

Title

Signature

Date

EXHIBIT D – Request for Bidding/Proposals



City of Corona Request for Bidding / Proposals

Requestor Name: _____ Ext. #: _____ Today's Date: _____
Requestor's Title: _____ Requestor's Division: _____
Type of solicitation requested (Check one):
Materials, Supplies or Equipment (MS&E) _____ Professional Services _____
Maintenance Services _____ Public Works _____ Request for Information (RFI) ¹ _____
Non-Public Works Construction as defined by Municipal Code _____
Date needed ² (i.e. delivery date, begin service date, construction start date): _____
Type of Purchase Requested (Check one): Normal _____ Yearly _____
If Yearly is checked, number of years requested: _____ initial year(s), _____ option years.
Estimated total value: \$ _____ For Yearly POs, the sum of initial year(s) estimated costs.
Will this request be funded with HUD/CDBG funds Y or N _____
Budgeted Funds are available for this request in the following accounts: _____

Title (brief description of goods, services or work to be performed): _____

Comments: _____

Specifications/Scope of Work: Detailed Specifications/Scope of Work are required for all solicitations.

Recommended Vendors: (Include Vendor Name, address, phone, fax, and contact name).
(Check one) Attached _____ **Public Works Vendor List** Not Available _____

Evaluation Team: (Include name, title, & phone). Evaluation Team is recommended for professional services and may be appropriate for other solicitations. Number of team members needed to review proposals: _____
(Check one) Attached _____ Suggestions requested _____ Not necessary _____

Attachments: Specifications/Scope of Work, Recommended Vendor list, and Evaluation Team information may be inserted at the end of this document or attached as separate documents in an e-mail. Electronic format is preferred.

E-mail this form, Specifications/Scope & attachments to: scott.briggs@discovercorona.com

¹ Check RFI if there is a need for an informal, non-competitive solicitation of information, data, comments, or reactions from possible suppliers preceding the issuance of a Request for Proposals or a multi-step bidding procedure.

² Allow for a minimum of 6-8 weeks for formal bids or proposals to be solicited and approved by Council.
Allow for a minimum of 2-3 weeks for informal bids or proposals to be solicited and awarded.
Every effort will be made to meet special scheduling and other needs. Communicate priorities to the Purchasing Manager.

EXHIBIT E – Purchase Order



CITY OF CORONA
PURCHASING DIVISION
400 S. VICENTIA AVENUE
CORONA, CALIFORNIA 92882-2187
(951) 736-2274 FAX (951) 736-2445

TO: AUTOMATIC FILTERS INC
2672 S LA CIENEGA BLVD
LOS ANGELES, CA 90034

PURCHASE ORDER	
P.O. NUMBER	P15278
DATE	11/17/05
VENDOR I.D.	119913
DELIVERY DATE	11/18/05
FOB	S/P
REQUISITION NO	50061644
PAYMENT TERMS	N30
OUR PURCHASE ORDER NUMBER MUST APPEAR ON ALL INVOICES, PACKING LIST AND CORRESPONDENCE.	

FAX# (310) 839-6878

PHONE# (310) 839-2828

DELIVER ITEMS TO:

WH - WAREHOUSE BLDG
NEW WAREHOUSE HOURS: 7:00AM TO 4:00PM
MAINTENANCE AND CONVEYANCE
770 CORPORATION YARD WAY
CORONA, CA 92880

SEND INVOICE TO:

AD - ADMINISTRATION BLDG
MAINTENANCE AND CONVEYANCE
730 CORPORATION YARD WAY
1ST FLOOR
CORONA, CA 92880

QTY	UNIT	DESCRIPTION	UNIT PRICE	EXTENSION
1	EA	PART # MTF-4, AUTO SELF CLEANING WATER FILTER	3,950.00	3,950.00
1	EA	PART # GB6, ELECTRONIC BACKWASH CONTROLLER	970.00	970.00
		THIS FILTER AND ITS COMPONENTS ARE COMPLETE WITH A ONE YEAR LIMITED MANUFACTURERS WARRANTY EXCLUDING FREIGHT. SCREEN BURSTING PRESSURE IS 120 PSIG (8 BAR) DIFFERENTIAL. UNLESS OTHERWISE NOTED.		
		VENDOR TO PROVIDE STAINLESS STEEL FILTER FOR CARBON STEEL PRICE.		
		FOR WWTP#2		
		BY THIS REFERENCE THE QUOTE # 18671 DATED 11/16/05 AND ATTACHED HERETO IS INCORPORATED HEREIN.		
1	LT	ESTIMATED FREIGHT	50.00	50.00
		CITY CONTACT: TOM MOODY (951) 279-3660		
		Tax		381.31
				5,351.31

ACCOUNT SUMMARY

AMOUNT	ACCOUNT NO.
\$ 5,351.31	57251330 42800 51990000

Scott W. Bump
PURCHASING MANAGER

I CERTIFY THAT THE GOODS AND/OR SERVICES AS DESCRIBED ABOVE HAVE BEEN RECEIVED.

RECEIVED BY

DATE RECEIVED

YELLOW - PURCHASING

WHITE - ACCOUNTING

GOLDENROD - RECEIVING

BLUE - ORDERING DEPT.

EXHIBIT F – Yearly / Blanket PO



CITY OF CORONA
PURCHASING DIVISION
400 S. VICENTIA AVENUE
CORONA, CALIFORNIA 92882-2187
(951) 736-2274 FAX (951) 736-2445

TO: SHORT POUR CONCRETE
23151 COFFEE BERRY CIR
CORONA, CA 92883

PURCHASE ORDER	
P.O. NUMBER	Y06448
DATE	10/25/05
VENDOR I.D.	108705
DELIVERY DATE	7/1/05
FOB	
REQUISITION NO	R4106022
PAYMENT TERMS	N30
OUR PURCHASE ORDER NUMBER MUST APPEAR ON ALL INVOICES, PACKING LIST AND CORRESPONDENCE.	

FAX#

PHONE#

DELIVER ITEMS TO:

AD - ADMINISTRATION BLDG
PUBLIC WORKS - STREET DIVISION
730 CORPORATION YARD WAY
1ST FLOOR
CORONA, CA 92880

SEND INVOICE TO:

AD - ADMINISTRATION BLDG
PUBLIC WORKS - STREET DIVISION
730 CORPORATION YARD WAY
1ST FLOOR
CORONA, CA 92880

QTY	UNIT	DESCRIPTION	UNIT PRICE	EXTENSION
1	LT	ANNUAL PURCHASE ORDER TO PROVIDE A SIX-SACK (3250) ROCK CONCRETE AT \$75.00 PER YARD ON AN "AS NEEDED" BASIS FOR THE PERIOD OF JULY 1, 2005 THROUGH JUNE 30, 2006. DELIVERY CHARGE FOR 1 TO 5 YARDS TO BE BILLED AT \$75.00 PER DELIVERY. CITY CONTACT: ED LOCKHART (909) 736-2443 NOT ENCUMBERED	9,500.00	9,500.00
			Tax	0.00
				9,500.00

ACCOUNT SUMMARY

AMOUNT	ACCOUNT NO.
\$ 9,500.00	11041220 42000

Linda Dege
BUYER
Scott W. Bony
PURCHASING MANAGER

I CERTIFY THAT THE GOODS AND/OR SERVICES AS DESCRIBED ABOVE HAVE BEEN RECEIVED.

RECEIVED BY

DATE RECEIVED

YELLOW - PURCHASING

WHITE - ACCOUNTING

GOLDENROD - RECEIVING

BLUE - ORDERING DEPT.

EXHIBIT G – Limited Purchase Order Instructions
Pg 2 of 2

(1)	DATE	Date the LPO is created
(2)	VENDOR NAME	Name of company LPO is issued to
(3)	VENDOR ADDRESS	Address to which payment is to be sent
(4)	PHONE	Vendor phone number
(5)	FAX	Vendor fax number
(6)	PEID	Person/Entity Identification from IFAS. Required prior to purchase
(7)	VENDOR INVOICE NUMBER	Vendor invoice number to be entered before submitting for payment
(8)	SHIP TO	Building or type of location for delivery for delivery purposes
(9)	ADDRESS	Address to which order is to be sent, or job-site address
(10)	CONTACT	Ordering department contact person
(11)	DEPARTMENT	Department ordering work/materials
(12)	QUANTITIY	The quantity of products/services ordered
(13)	UNIT	Unit of measure – EXAMPLE: each, lot case, gallon, etc.
(14)	COMPLETE DESCRIPTION	Provide a complete description of the product or service required, including scope of work, model numbers, catalog numbers, etc.
(15)	UNIT PRICE	Unit price of item
(16)	AMOUNT	Extended dollar amount of line item
(17)	SALES TAX	CA State Sales Tax calculation (contact Purchasing for current rate)
(18)	TOTAL	Total of all costs
(19)	GL	General Ledger Fund Number
(20)	OBJECT	Object Code
(21)	JL	Job Ledger Fund Number
(22)	OBJECT	Object Code (must match object for GL in #20)
(23)	AMOUNT	The dollar amount assigned to the fund number(s) to be increased
(24)	TOTAL AMOUNT	Total expenditure amount, must match #18 total
(25)	AUTHORIZED SIGNATURE	Signature of person authorized to sign the LPO and commit funds up to \$5,000
(26)	RECEIVED BY	Signature of person picking up material, or receiving delivery of material, or verifying that work was completed
(27)	EMPLOYEE I.D. NO.	Employee I.D. number of person signing Received By when materials are picked up from vendor

EXHIBIT H – Request for Change Order

Pg 1 of 3

CITY OF CORONA	
REQUEST FOR CHANGE ORDER	
(Copy of Purchase Order MUST Be Attached)	
DATE	1
PO NO.	2
REQ. NO.	3
DEPT.	4
DIVISION	5

VENDOR NAME:

6

(Purchasing to Complete)

CHANGE ORDER NO.	7
LINE ITEM NO.	8

ORIGINAL CONTRACT/ PURCHASE ORDER AMOUNT	\$	9			
TOTAL OF ALL PREVIOUS CHANGE ORDERS	\$	10		11	*
CURRENT CUMULATIVE SUBTOTAL	\$	12			
TOTAL OF THIS CHANGE ORDER	\$	13		14	*
NEW TOTAL OF ALL CHANGE ORDERS	\$	15		16	*
NEW CONTRACT/PURCHASE ORDER TOTAL	\$	17			

INCREASE PURCHASE ORDER				
GL	Object	JL	Object	Amount
18	19	20	21	22

DECREASE PURCHASE ORDER				
GL	Object	JL	Object	Amount
23	24	25	26	27

NATURE AND/OR REASON FOR REQUEST (BE SPECIFIC) _____

28

All signatories below certify the above is essential to the operation of this department, budgeted funds are available, and the cumulative value is within limits prescribed by the Purchasing Regulations and/or Council limits set for this project.

29	X	30	31
Originator (Type Name Above)		Signature	Phone
32	X		
(Type Name) up to 10% cumulative CO value *		Authorized Signature	
33	X		
(Type Name) up to 15% cumulative CO value *		Authorized Signature	
	X	34	
		City Manager (up to 25% cumulative CO value) *	

*** Percentages only
applicable for council
awarded purchases**

Revised October 9, 2006

EXHIBIT H – Request for Change Order
Pg 2 of 3
CHANGE ORDER FORM INSTRUCTIONS

INTENT – The Change Order Form is intended to assist in making changes to open Purchase Orders. This form will ensure that changes are made in a timely, efficient and cost effective manner. Changes include, but are not limited to, changing quantities, changing prices, changing terms and conditions, changing account numbers, and canceling the purchase order. **ALL CHANGE ORDERS MUST BE SUBMITTED ON BLUE PAPER**

For each number on the form, a corresponding instruction or explanation is provided. If you have any questions when filling out this new change order form, please call Purchasing at ext. 2274.

- | | | |
|------|---|--|
| (1) | DATE | Date the change order request is typed |
| (2) | PO NO. | The purchase order number |
| (3) | REQ. NO. | Your department's 7 digit requisition number. This is the requisition number on the original PO. |
| (4) | DEPT. | Department name |
| (5) | DIVISION | Division name |
| (6) | VENDOR NAME | Vendor name PO was issued to |
| (7) | CHANGE ORDER NO. | Purchasing to complete – this is the number assigned to the change order, i.e., Change Order #1, #2, #3, etc. |
| (8) | LINE ITEM NO. | Purchasing to complete – this refers to the line item number in IFAS |
| (9) | ORIGINAL CONTRACT/
PURCHASE ORDER AMOUNT | The total dollar amount of the original purchase order |
| (10) | TOTAL OF ALL PREVIOUS
CHANGE ORDERS | The total dollar amount of all previous change orders issued to date |
| (11) | PERCENTAGE CALCULATION | The percentage of all previous change orders issued to date to the original PO amount (formula included in form)
Percentages only applicable for council approved purchases |
| (12) | CUMULATIVE SUBTOTAL | Add line items #9 and #10 |
| (13) | TOTAL OF THIS CHANGE ORDER | Total amount of this change order request |
| (14) | PERCENTAGE CALCULATION | The percentage of this change order to the original PO amount (formula included in form)
Percentages only applicable for council approved purchases |

EXHIBIT H – Request for Change Order
Pg 3 of 3
CHANGE ORDER FORM INSTRUCTIONS

- | | | |
|------|--|--|
| (15) | NEW TOTAL OF ALL CHANGE ORDERS | Total amount of all change orders to date |
| (16) | PERCENTAGE CALCULATION | The percentage of all change orders to date to the original PO amount (formula included in form)
Percentages only applicable for council approved purchases |
| (17) | NEW CONTRACT/PURCHASE ORDER TOTAL | The new grand total of the purchase order to include the original amount and all change orders |
| (18) | INCREASE GL | General Ledger Fund Number to be increased |
| (19) | OBJECT | Object Code – a 5 digit number |
| (20) | INCREASE JL | Job Ledger Fund Number to be increased |
| (21) | OBJECT | Object Code – a 5 digit number (must match #19) |
| (22) | AMOUNT | The dollar amount assigned to the fund number(s) to be increased |
| (23) | DECREASE GL | General Ledger Fund Number to be decreased |
| (24) | OBJECT | Object Code – a 5 digit number |
| (25) | DECREASE JL | Job Ledger Fund Number to be decreased |
| (26) | OBJECT | Object Code – a 5 digit number (must match #24) |
| (27) | AMOUNT | The dollar amount assigned to the fund number(s) to be decreased |
| (28) | NATURE AND/OR REASON FOR REQUEST (BE SPECIFIC) | Provide a detailed explanation for the change order |
| (29) | ORIGINATOR | Type Requestor's name |
| (30) | SIGNATURE | Requestor's signature |
| (31) | PHONE # | Requestor's 7-digit telephone number for contact |
| (32) | AUTHORIZING SIGNATURE | Type name of person authorized to sign the change order and commit funds up to 10% cumulative change order value, followed by their signature |
| (33) | AUTHORIZING SIGNATURE | Type name of person authorized to sign the change order and commit funds up to 15% cumulative change order value, followed by their signature |
| (34) | CITY MANAGER | Department Head's signature if required for the change order |

EXHIBIT I – Proprietary Projects/Sole Source Products Certification

**PROPRIETARY PROJECTS/SOLE SOURCE PRODUCTS CERTIFICATION
For Purchases between \$10,001 - \$175,000**

VENDOR: _____ DATE: _____

Project/Commodity/Service: _____ Est. Cost: _____

DEFINITIONS: (Circle One)

1. Informal Public Projects: If the director of the using department certifies that, to the best of his or her knowledge, the project, product or service is proprietary in nature and can be obtained only from one vendor or contractor, and that no equivalent products or services are available, the notice inviting informal bids may be sent exclusively to such contractor. CMC Section 3.08.100(e)

2. Formal Non-Public Projects: If the director of the using department certifies that, to the best of his or her knowledge, the project, product or service is proprietary in nature and can be obtained only from one vendor or contractor, and that no equivalent products or services are available, the notice inviting formal bids or request for proposals may be sent exclusively to such vendor or contractor. CMC Section 3.08.110(d)

3. Informal Non-Public Projects: If the director of the using department certifies that, to the best of his or her knowledge, the project, product or service is proprietary in nature and can be obtained only from one vendor or contractor, and that no equivalent products or services are available, the notice inviting informal bids or request for proposals may be sent exclusively to such vendor or contractor. CMC Section 3.08.120(d)

Attach a memorandum addressed to the Purchasing Manager containing complete justification and documentation that supports the definition circled above. (REQUIRED FOR ALL – NO EXCEPTIONS)

To Be Completed By Requesting Department

The undersigned certifies that the project, product or service contained herein meets at least one definition above.

Department: _____ Division: _____

Department Director: _____ Date: _____

* The Public Works Director and DWP General Manager may sign up to \$125,000 for

Proprietary Projects / Sole Source Products

To Be Completed By Purchasing

PURCHASING MANAGER APPROVAL: _____ Date: _____

ASSISTANT CITY MANAGER APPROVAL: _____ Date: _____
(\$80,001 - \$125,000)

CITY MANAGER APPROVAL: _____ Date: _____
(\$125,001 - \$175,000)

All purchases that are greater than \$175,000 will require approval by City Council. If council approval is required **do not use this form**. Prepare a council agenda and include the Purchasing Manager as a "reviewed by" signature on the report.



CITY OF CORONA

**PURCHASING DIVISION
400 S. VICENTIA AVENUE
CORONA, CALIFORNIA 92882-2187
(951) 736-2274 FAX (951) 736-2445**

P.O. NUMBER	E0000001
VENDOR INVOICE	
DELIVERY DATE	
FOB	
REQUISITION NO.	
PAYMENT TERMS	
OUR PURCHASE ORDER NUMBER MUST APPEAR ON ALL INVOICES, PACKING LIST AND CORRESPONDENCE.	

DATE:		SHIP TO:	
VENDOR NAME:		ADDRESS:	
VENDOR ADDRESS:			
PHONE:	FAX:	CONTACT:	PHONE:
VENDOR I.D. NO.:		DEPARTMENT:	

[illegible]

Non-Public Projects: Non-public project emergency purchases are defined by CMC 3.08.010 (h).

DISTRIBUTION:		ACCOUNT NO.:	
GL	/	JL	AMOUNT
TOTAL ACCOUNT DISTRIBUTION			

TAX

TOTAL

I HEREBY CERTIFY THE ABOVE IS ESSENTIAL TO THE OPERATION OF THIS MUNICIPALITY, BUDGETED FUNDS ARE AVAILABLE AND THE ACCOUNT NUMBER IS CORRECT.

PRINT NAME **AUTHORIZED SIGNATURE**

RECEIVED BY _____
EMPLOYEE I.D. NO. _____

**CITY PERSONNEL MUST SHOW CITY
I.D. CARD WHEN PICKING UP ITEMS**

WHITE - Vendor Copy CANARY - Finance Copy BLUE - Purchasing Copy PINK - Department Copy

(REV. 4/06)

EXHIBIT K – Donation of Surplus Property
Pg 1 of 4

RESOLUTION NO. 2007-065

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CORONA, CALIFORNIA, AMENDING ADMINISTRATIVE
POLICY NO. 300.11 REGARDING THE DONATION OF
SURPLUS PROPERTY**

WHEREAS, Sections 37350 and 37351 of the California Government Code allow cities to dispose of personal property for the common benefit and for the benefit of the city; and

WHEREAS, pursuant to Section 3.08.150 of the Corona Municipal Code, the City Council has previously adopted a resolution establishing a policy for the donation of surplus property that set rules and regulations to govern the fair and equitable donation of materials, supplies and equipment; and

WHEREAS, the City Council now finds it necessary to amend the previously adopted donation policy; and

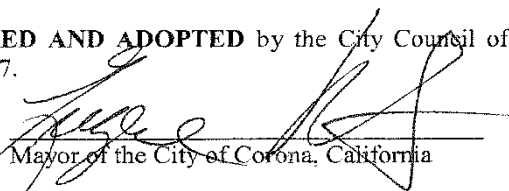
WHEREAS, the policy as amended by this resolution, is intended to remain in compliance with Section 3.08.150 of the Corona Municipal Code, providing that the City Manager and Finance Director shall not approve any donation without first making a finding that the materials, supplies and equipment are surplus to the needs of the City, that they have no commercial value or will require an expenditure of funds for continued care, handling, maintenance or storage which exceeds the estimated proceeds of sale, and that the donation is in the best interests of the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CORONA, CALIFORNIA, RESOLVES AS FOLLOWS:

SECTION 1. Administrative Policy No. 300.11, attached to this Resolution as Exhibit "A", is hereby amended and adopted.

SECTION 2. The Mayor shall sign this Resolution and the City Clerk shall attest thereto, and this Resolution shall take effect and be in force on the date of its adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Corona on this 18th day of July, 2007.


Mayor of the City of Corona, California

ATTEST:

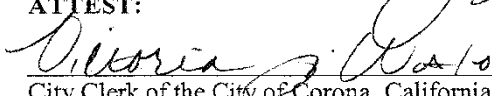

City Clerk of the City of Corona, California

Exhibit K – Donation of Surplus Property
Pg 2 of 4

EXHIBIT “A”

Donation of Surplus Property (amended)
Administrative Policy 300.11
Administered by: Finance Department

POLICY:

The City Manager and Finance Director will consider the donation of surplus materials, supplies or equipment that have no commercial value or would require an expenditure of funds for continued care, handling, maintenance or storage which would exceed the estimated value.

On a case by case basis and in order to approve the donation of materials, supplies or equipment, the City Manager and Finance Director shall make the following findings:

- That the materials, supplies or equipment are surplus to the needs of the City;
- That the materials, supplies or equipment either have no commercial value or will require an expenditure of funds for continued care, handling, maintenance or storage which exceeds the estimated value;
- The donation furthers a specific public purpose of the City; and
- Donations are made in a fair and equitable manner.

PROCEDURE:

1. The Finance Department will maintain a list of types of property eligible for donation and make such list generally available to eligible organizations.
2. Written requests for specific donations must be submitted by a public or governmental agency or eligible non-profit organization. The request must explain the use that would be made of the donated goods and must explain how that use benefits the City.
3. The Finance Department will make a determination as to the availability of the requested items and advise the City Manager and Finance Director.
4. In the event that the number of agencies and organizations exceed the amount of surplus property available for donation, the City Manager may make a determination as to the method and procedures for determining fair and equitable distribution of such surplus property.

EXHIBIT K – Donation of Surplus Property
Pg 3 of 4

5. Upon approval of the City Manager and the Finance Director, the Finance Department will contact the non-profit organization.
6. The non-profit organization is responsible for pick up and transportation of the donated property.
7. The non-profit will be required to sign a Release of Liability prior to pick up.

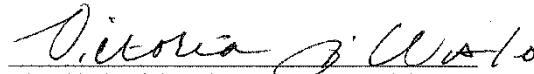
EXHIBIT K – Donation of Surplus Property
Pg 4 of 4

CERTIFICATION

I, Victoria J. Wasko, City Clerk of the City of Corona, California, do hereby certify that the foregoing Resolution was regularly introduced and adopted by the City Council of the City of Corona, California, at a regular meeting thereof held on the 18th day of July, 2007, by the following vote of the Council:

AYES: MILLER, MONTANEZ, NOLAN, SKIPWORTH, SPIEGEL
NOES: NONE
ABSENT: NONE
ABSTAINED: NONE

IN WITNESS THEREOF, I have hereunto set my hand and affixed the official seal of the City of Corona, California, this 18th day of July, 2007.


City Clerk of the City of Corona, California

(SEAL)

EXHIBIT L – CMC Chapter 3.08

**“CHAPTER 3.08
PURCHASING REGULATIONS**

Sections:

- 3.08.010 Definitions.**
- 3.08.020 Centralized Purchasing Division and purchasing system.**
- 3.08.030 Purchasing agent.**
- 3.08.040 General purchasing regulations, policies, and procedures.**
- 3.08.050 Bidding requirements - public projects.**
- 3.08.060 Bidding requirements - maintenance and general services.**
- 3.08.070 Bidding requirements - professional services.**
- 3.08.080 Bidding requirements - materials, supplies, and equipment.**
- 3.08.090 Public projects - formal bidding procedure.**
- 3.08.100 Public projects - informal bidding procedure.**
- 3.08.110 Non-public projects - formal bidding procedure.**
- 3.08.120 Non-public projects - informal bidding procedure.**
- 3.08.130 Exceptions to competitive bidding - public projects.**
- 3.08.140 Exceptions to competitive bidding - non-public projects.**
- 3.08.150 Surplus supplies and equipment.**

3.08.010 Definitions.

Unless otherwise indicated, the following definitions shall apply to all provisions of this chapter:

(a) “Act” means the Uniform Public Construction Cost Accounting Act found at California Public Contract Code, Section 22000 et seq.

(b) “Alternative procedure” means purchasing materials, supplies, services (professional, consulting, public works, maintenance and other general services) or equipment by negotiated contract, purchase order or any other procedure outlined in the city’s purchasing policies and procedures manual approved by the city manager and consistent with this chapter. A type of alternative procedure may include, but is not limited to, what will be referred to as a “simplified pricing procedure” wherein the authorized contracting party, or his or her designee, obtains oral price quotes from one or more potential contractors or suppliers, and accepts the quote which is determined to be in the best interests of the city.

(c) “Authorized contracting party” means the city official or body provided with authority under this chapter to approve or award a contract or to make a purchase, as well as to reject all bids when appropriate. Unless otherwise stated, the party authorized to approve or award a contract or to make a purchase shall have the authority to execute the associated purchase order, contract and/or agreement.

(d) “City engineer” means either the city engineer or the person delegated by the city engineer to perform all or some of the duties prescribed in this chapter.

(e) “City manager” means the city manager or person designated by the city manager to perform all or some of the duties prescribed in this chapter.

(f) “Commission” means the California Uniform Construction Cost Accounting Commission created by Division 2, Part 3, Chapter 2, Article 2 of the California Public Contracts Code (commencing at Section 22010).

(g) “Corona formal bidding procedure” means a procedure which meets the requirements of state and local law, including the Act, this chapter and any policies and procedures approved by the city manager consistent with this chapter.

(h) “Emergency” for purposes of public projects shall have that meaning provided in California Public Contract Code Sections 22035 and 22050. Emergency for all other purchasing or contracting purposes means a situation which makes competitive bidding, either formal or informal, impractical or not in the best interests of the city.

(i) “Facility” means any plant, building, structure, ground facility, utility system (subject to the limitation found in California Public Contract Code Section 22002, subdivision (c) (3)), real property, streets and highways, or other public work improvement.

(j) “General Services” mean all services performed by persons not in a professional occupation, including, but not limited to, contract services for park, electrical and computer repair, building, facility and vehicle maintenance, recreation programs, and other similar services which are not typical of professional services.

(k) “Maintenance work” shall have that meaning provided in Section 22002(d) of the Act, as that Section may be amended from time to time. In addition and to the extent not inconsistent with Section 22002(d), maintenance work shall include, but shall not be limited to, the following:

(1) Routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes.

(2) Minor repainting.

(3) Street and highway maintenance, including utility patching, skin patching, crack filling, filling of pot holes, slurry sealing, edge grading, street striping, resurfacing of streets and highways at less than one-inch, sign replacement, sidewalk repair and replacement, curb and gutter repair and replacement, and street and traffic light repair and replacement. Maintenance work shall not include striping of a new street or highway.

(4) Sewer maintenance, including foaming, video taping, cleaning and manhole restoration.

(5) Traffic signal maintenance. Maintenance work shall not include installation of new traffic signals.

(6) Storm drain related maintenance.

(7) Landscape maintenance, including mowing, watering, trimming, pruning, planting, tree and plant replacement, irrigation and sprinkler system servicing, retrofit and repair, and landscape rehabilitation.

(8) Maintenance of facilities, including roof repairs or replacements, heating and air conditioning repairs, and electric repairs.

(9) Vehicle and equipment maintenance and repairs.

(10) Work performed to keep, operate, and maintain publicly owned water, power, or waste disposal systems, including, but not limited to, dams, reservoirs, powerplants and electrical transmission lines of 230,000 volts and higher.

(l) “Public project” shall have that meaning provided in Section 22002(c) of the Act, as that Section may be amended from time to time. A public project shall not include maintenance work. In addition and to the extent not inconsistent with Section 22002(c), public project shall include, but shall not be limited to, the following:

(1) Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility;

(2) Painting or repainting of any publicly owned, leased, or operated facility;
and

(3) In the case of a publicly owned utility system, public project shall include only the construction, erection, improvement, or repair of dams, reservoirs, powerplants, and electrical transmission lines of 230,000 volts and higher.

(m) “Professional services” means all services performed by persons in a professional occupation, including, but not limited to, consulting and performance services for accounting, auditing, computer hardware and software support, engineering, architectural, planning, environmental, redevelopment, financial, economic, personnel, social services, animal control, legal, management, cable television, communication and other similar professional functions which may be necessary for the operation of the city.

(n) “Public project formal bidding procedure” means a procedure which meets the requirements of state and local law, including Section 22037 of the Act, this chapter and any policies and procedures approved by the city manager consistent with this chapter.

(o) “Public project informal bidding procedure” means a procedure which meets the requirements of state and local law, including Section 22034 of the Act, this chapter and any policies and procedures approved by the city manager consistent with this chapter.

(p) “Purchasing agent” means the city manager or his or her designee(s) as provided in Section 3.08.030. Pursuant to Section 3.08.030, the city manager may change his or her designation at any time.

(q) “Department Director” means the person in charge of a particular department of the city, and shall include the Assistant City Manager and the General Manager of the Department of Water and Power.

3.08.020 Centralized Purchasing Division and purchasing system.

The purpose of this chapter is to establish efficient procedures for the purchase of materials, supplies, services (professional, consulting, public works, maintenance and other general services) and equipment at the lowest possible cost commensurate with quality needed, to exercise positive financial control over purchases, to clearly define authority for the purchasing function, and to assure the quality of purchases. In addition, this chapter and the purchasing system it establishes are designed to provide appropriate procedures to implement the city’s participation in the Uniform Public Construction Cost Accounting Act pursuant to California Public Contract Code, Section 22000 et seq.

A centralized Purchasing Division and purchasing system are hereby adopted and vested with the authority to govern the purchase of all city materials, supplies, services (professional, consulting, public works, maintenance and other general services) and equipment.

3.08.030 Purchasing agent.

There is created the position of purchasing agent. The purchasing agent shall be the city manager or his or her designee. Initially, the city manager designates the finance director to act as the purchasing agent. The city manager may change his or her designation at any time. The duties of the purchasing agent may be combined with those of any other city office or position. The purchasing agent may delegate the duties of that position to one or more subordinate

employees with the consent of the city manager, each of whom shall be under the purchasing agent's supervision.

The purchasing agent shall be the head, and have the general supervision of all purchasing functions of the city. The purchasing agent shall direct and supervise the city's purchasing program. The purchasing agent shall endeavor to obtain full and open competition on all purchases to the extent possible. The purchasing agent shall establish methods and procedures for the efficient and economical functioning of the Purchasing Division.

Subject to the supervision of the city manager, the purchasing agent shall have the authority to:

(a) *Purchase and Contract:* Purchase or contract for materials, supplies, services (professional, consulting, public works, maintenance and other general services) and equipment required by the city.

(b) *Negotiate and Recommend:* Negotiate and recommend to the city council execution of contracts for the purchase of materials, supplies, services (professional, consulting, public works, maintenance and other general services) and equipment.

(c) *Purchasing Policies and Procedures Manual:* Prepare and implement policies and procedures governing the bidding, contracting, purchasing, storing, distribution and disposal of materials, supplies, services (professional, consulting, public works, maintenance and other general services) and equipment for the city. To this end, the purchasing agent shall be responsible for developing and obtaining city manager approval of a purchasing policies and procedures manual, which shall outline the policies and procedures necessary to implement the regulations of this Chapter 3.08. Upon approval by the city manager, the purchasing policies and procedures manual shall have the same force and effect as the provisions of this Chapter 3.08.

(d) *Forms:* Prescribe and maintain such forms as may be reasonably necessary to the implementation of this chapter and any other policies and procedures approved by the city manager consistent with this chapter.

(e) *Review Plans and Specifications:* Review, or provide for the review of, the working details, drawings, plans and specifications for any projects or purchases requiring such review in this chapter.

(f) *Inspections and Testing:* Inspect, supervise or provide for the inspection and supervision of purchased materials, supplies, services (professional, consulting, public works, maintenance and other general services) and equipment to ensure conformity with any specifications established or required by the city. The purchasing agent or his or her designee shall have authority to require appropriate testing of items delivered or samples to determine their quality and conformance with the specifications. Samples of items, when required, shall be furnished free of expense to the city and, if not destroyed by test, will be returned upon request at the bidder's expense.

(g) *Surplus Materials, Supplies and Equipment:* As provided for in Section 3.08.150 below, transfer, sell, exchange or trade any materials, supplies, or equipment deemed to be surplus.

(h) *Bidder, Contractor and Vendor Lists and Catalogs:* Develop and maintain, or provide for the development and maintenance of, any bidder's list, contractor's list or vendor's list and catalog file necessary to the operation of this chapter and any other policies and procedures approved by the city manager consistent with this chapter. Each city department may have its own lists or catalogs. If the Purchasing Agent delegates the obligation to develop and maintain any list to another city employee, the purchasing agent shall retain final oversight authority and approval regarding how the list is developed and maintained.

3.08.040 General purchasing regulations, policies and procedures.

(a) *Applicability of Chapter:* The purchasing regulations contained in this Chapter 3.08 shall apply to the purchase of materials, supplies, services (professional, consulting, public works, maintenance and other general services) and equipment.

(b) *Basis of Awards:* The city shall secure materials, supplies, services (professional, consulting, public works, maintenance and other general services) and equipment at the lowest total cost commensurate with the quality and scope needed, and subject to any limitations imposed by state law. Notwithstanding the foregoing, although the city is not adopting the formal procedures outlined in Government Code Section 4525 et seq., the city shall secure professional services based upon demonstrated competence, professional qualifications and suitability for the project in general. The city may consider cost of professional services if the authorized contracting party determines it to be a relevant factor under the circumstances.

(c) *Purchasing Policies and Procedures Manual:* The purchasing agent shall develop, for approval by the city manager, such policies and procedures as are necessary to implement the provisions of this chapter. The policies and procedures shall be written and implemented in such a way to encourage open and competitive bidding, where appropriate, provide equal opportunity based on merit, make each selection process free of invidious discrimination, provide for efficient and timely acquisition of needed materials, supplies, services (professional, consulting, public works, maintenance and other general services) and equipment, and provide effective fiscal controls.

(d) *Competitive Bidding:* In purchasing, materials, supplies, services (professional, consulting, public works, maintenance and other general services) and equipment, the city shall make use of competitive bidding, both formal and informal, whenever required by law, this chapter, or any policies and procedures approved by the city manager consistent with this chapter. Formal and informal competitive bidding is not required, for instance, when an “emergency” is declared pursuant to this chapter.

(e) *Unencumbered Funds:* The purchasing agent shall not issue a purchase order for materials, supplies, services (professional, consulting, public works, maintenance and other general services) or equipment involving any project or purchase without an unencumbered appropriation in the fund account against which such purchase is to be charged except for the following: (1) in cases of emergency; (2) when specifically authorized by resolution or minute order of the city council; (3) when the purchasing department acquires inventory for the warehouse that is not yet assigned to any department or fund; and (4) when using limited purchase orders, yearly purchase orders or blanket purchase orders, as those terms are defined in the purchasing policies and procedures manual.

(f) *Requisition Forms:* The department responsible for a purchase shall submit requests for materials, supplies, services (professional, consulting, public works, maintenance and other general services) or equipment to the purchasing agent by standard requisition forms, or by other means as may be established by the purchasing policies and procedures manual.

(g) *Applicable State and Federal Law:* The city shall comply with all applicable federal and state laws for the particular purchase at issue, including, but not limited to, bidder’s security and bonding requirements, as well as prevailing wage requirements.

(h) *Delegation of Purchasing Agent Authority:* The purchasing agent, with approval of the city manager, may provide written authorization to any department director to conduct a bidding process outside of the centralized purchasing system; provided, however, that such bidding process and the resulting contract or purchase shall otherwise comply with the

requirements of this chapter. The purchasing agent, with approval of the city manager, may rescind such authorization in writing at any time and for any or no reason.

(i) *Purchase Orders; Contract and Agreement Forms:* The purchasing agent shall require all purchases for materials, supplies, services (professional, consulting, public works, maintenance and other general services) or equipment to be made with an appropriate purchase order and on an appropriate contract or agreement, the form of which shall be approved by the city attorney. The city attorney shall not need to review and approve as to form each executed contract or agreement; provided a city model approved as to form by the city attorney is used without substantive modification. In addition, when the purchasing agent determines that issues under the responsibility of the city's risk manager are involved, the relevant contract or agreement provisions shall also be reviewed and approved by the city's risk manager.

(j) *Unlawful Purchasing Activities and Conflicts:* The purchasing policies and procedures manual shall specifically prohibit practices which might result in unlawful activity, including, but not limited to, rebates, kickbacks, or other unlawful consideration, and shall specifically prohibit city officials, officers and employees from participating in the bidding or selection process when they have a relationship with a person or business entity seeking a contract under this Chapter 3.08 which would subject the officials, officers or employees to the prohibitions of Government Code Sections 1090 and 87100 et seq.

(k) *Records Retention:* The purchasing agent shall keep a written record of all bids for a period of one (1) year following the award of the purchase. If no purchase is awarded pursuant to a particular bid process, the purchasing agent shall keep a written record of the bid information for a period of six (6) months following the city's decision not to award the purchase.

(l) *State or Federal Funding:* Any purchases made with state or federal funds shall comply with all laws, rules and regulations made applicable by the funding source.

(m) *Delegation of Department Director Authority:* The department directors, with approval of the city manager, may provide written authorization to any subordinate employees to exercise the director's purchasing authority; provided, however, that such delegation shall be pursuant to an authorized written signature authorization form/procedure approved by the purchasing agent, and the bidding process and the resulting contract or purchase shall otherwise comply with the requirements of this chapter. The department directors, with approval of the city manager, may rescind such delegation in writing at any time and for any or no reason. As used herein and as approved for in Section 3.08.010, the term department director shall include the Assistant City Manager and the General Manager of the Department of Water and Power.

3.08.050 Bidding requirements - public projects.

(a) *\$80,000 or less:* Public projects of \$45,000 or less may be awarded by the director of the department responsible for the project, or his or her designee pursuant to Section 3.08.040, by any alternative procedure. Public projects of more than \$45,000, but less than or equal to \$80,000 may, except as otherwise provided in this chapter or the Act, be awarded by the director of the department responsible for the project, or his or her designee pursuant to Section 3.08.040, pursuant to the public project informal bidding procedure.

(b) *\$80,001 - \$125,000:* Public projects of more than \$80,000, but less than or equal to \$125,000 may, except as otherwise provided in this chapter or the Act, be awarded by the assistant city manager, the director of public works, or the general manager of the department of water and power pursuant to the public project informal bidding procedure.

(c) *\$125,001 - \$175,000:* Public projects of more than \$125,000, but less than or equal to \$175,000 shall, except as otherwise provided in this chapter or the Act, be awarded by the City Manager pursuant to the public project informal bidding procedure. If all bids received are over \$175,000, the City Council may, with the approval of a four-fifths vote of those members present and without following the public project formal bidding procedure, award the contract in an amount not exceeding \$187,500 to the lowest responsive and responsible bidder, so long as the City Council also determines that the city's cost estimate for the project was reasonable.

(d) *More than \$175,000:* Public projects of more than \$175,000 shall, except as otherwise provided in this chapter or the Act, be awarded by the City Council pursuant to the public project formal bidding procedure.

(e) *City Engineer Review of Plans and Specifications:* The city engineer shall review and approve the working details, drawings, plans and specifications prepared for every public project which may affect the design or operation of public improvements and which may bring into question the city's liability for dangerous conditions of public property.

(f) *City Council Review of Plans and Specifications:* The City Council shall review and approve the working details, drawings, plans, and specifications prepared for every public project of more than \$175,000.

(g) *Award:* Contracts for public projects of forty-five thousand dollars (\$45,000) or less, if awarded, may be awarded in the best interests of the city. Contracts for public projects of more than forty-five thousand dollars (\$45,000), if awarded, shall be awarded to the lowest responsive and responsible bidder. If two (2) or more bids are the same and the lowest, the authorized contracting party may accept the one it chooses.

(h) *Dollar Limits and Change Orders or Amendments:* The dollar limits indicated herein shall apply to the original contract and to any amendments or change orders. To this end, therefore, unless an exception provided in Section 3.08.130 below applies, any contract amendment or change order which would increase the contract amount above any threshold stated herein shall comply with the requirements applicable to the increased contract amount. For public projects awarded by the city council, unless a lower or higher amount is stated in the city council staff report for the project or directed by the city council, the City Manager or his or her designees shall have authority to approve contract amendments or change orders up to twenty-five percent of the original contract amount.

(i) *No Bid Splitting:* The city shall not split a project, work, service or purchase into smaller projects, works, services or purchases for the purpose of avoiding any bidding or contracting requirements of this Code.

3.08.060 Bidding requirements - maintenance and general services.

(a) *\$80,000 or less:* Maintenance work and other general services projects of \$45,000 or less may be awarded by the director of the department responsible for the project, or his or her designee pursuant to Section 3.08.040, by any alternative procedure. Maintenance work and other general services projects of more than \$45,000, but less than or equal to \$80,000 may, except as otherwise provided in this chapter or the Act, be awarded by the director of the department responsible for the project, or his or her designee pursuant to Section 3.08.040, pursuant to the non-public project informal bidding procedure.

(b) *\$80,001 - \$125,000:* Maintenance work and other general services projects of more than \$80,000, but less than or equal to \$125,000 may, except as otherwise provided in this chapter or the Act, be awarded by the assistant city manager, the director of public works, or the

general manager of the department of water and power pursuant to the non-public project informal bidding procedure.

(c) *\$125,001 - \$175,000:* Maintenance work and other general services projects of more than \$125,000, but less than or equal to \$175,000 shall, except as otherwise provided in this chapter, be awarded by the City Manager pursuant to the non-public project informal bidding procedure.

(d) *More than \$175,000:* Maintenance work and other general services projects of more than \$175,000 shall, except as otherwise provided in this chapter, be awarded by the City Council pursuant to the non-public project formal bidding procedure.

(e) *City Engineer Review of Plans and Specifications:* The city engineer shall review and approve the working details, drawings, plans and specifications prepared for every maintenance work and other general services project which may affect the design or operation of public improvements and which may bring into question the city's liability for dangerous conditions of public property.

(f) *Purchasing Agent Review of Plans and Specifications:* The purchasing agent, or his or her designee, shall review and approve the form of the working details, drawings, plans and specifications prepared for every maintenance work and other general services project.

(g) *City Council Review of Plans and Specifications:* The City Council shall review and approve the working details, drawings, plans, and specifications prepared for every maintenance work and other general services project of more than \$175,000.

(h) *Award:* Contracts for maintenance work and other general services projects of forty-five thousand dollars (\$45,000) or less, if awarded, may be awarded in the best interests of the city. Contracts for maintenance work and other general services projects of more than forty-five thousand dollars (\$45,000), if awarded, shall be awarded to the lowest responsive and responsible bidder. If two (2) or more bids are the same and the lowest, the authorized contracting party may accept the one it chooses.

(i) *Subsequent Contract Awards, Amendments, Extensions or Renewals:* Notwithstanding anything herein to the contrary, the department director and city manager shall not award a subsequent contract to the same individual or entity for the same or similar services on the same project, or amend, extend or renew such a contract, without obtaining the next highest approval authority (e.g. the city manager for the department director and the city council for the city manager), when the award, amendment, extension or renewal will result in the city paying an aggregate amount in excess of the approval authority of the department director or city manager to the individual or entity in any given fiscal year. For purposes of this section, the phrase "same project" shall include an on-call or as-needed contract.

(j) *Dollar Limits and Change Orders or Amendments:* The dollar limits indicated herein shall apply to the original contract and to any amendments or change orders. To this end, therefore, unless an exception provided in Section 3.08.140 below applies, any contract amendment or change order which would increase the contract amount above any threshold stated herein shall comply with the requirements applicable to the increased contract amount. For maintenance and other general service projects awarded by the city council, unless a lower or higher amount is stated in the city council staff report for the project or directed by the city council, the City Manager or his or her designees shall have authority to approve contract amendments or change orders up to twenty-five percent of the original contract amount.

(k) *Six-year term limitation:* No maintenance work or other general services contract shall extend for a period of more than six years, including any authorized extensions, unless specifically approved by City Council action.

(l) *No Bid Splitting:* The city shall not split a project, work, service or purchase into smaller projects, works, services or purchases for the purpose of avoiding any bidding or contracting requirements of this Code.

(m) *Local Preference; Maintenance and General Services:* As set forth in further detail in Section 3.080.080(j) below, the City Council has made findings and adopted a Local Bidder Preference Program (“Local Program”) applicable to certain purchases of materials, supplies, and equipment, as well as contracts for maintenance work and other general services projects described in this Section. Accordingly, contracts for maintenance work and other general services projects that are competitively bid and involve an expenditure of two-hundred thousand dollars (\$200,000) or less, shall be subject to the Local Program set forth in Section 3.08.080(j). For recurring procurements/contracts, the Local Program shall be applicable only to the City’s first two hundred thousand dollars (\$200,000) worth of such procurements/contracts for any fiscal year, as determined by city staff in its sole discretion. For such recurring procurements/contracts, the bidding documents shall indicate whether or not the Local Program is in effect for the applicable procurement. Properly certified Local Businesses (as defined in Section 3.08.080 (j)) shall be entitled to the specified reduction of five percent (5%) in the tabulation of their bid for purposes of determining the lowest responsible bidder, unless otherwise prohibited by law (i.e. special state or federal grant programs). If the Local Program is applicable to a bid offering, it shall be noted in the applicable bid solicitation.

3.08.070 Bidding requirements - professional services.

(a) *\$80,000 or less:* Professional services contracts of \$45,000 or less may be awarded by the director of the department responsible for the project, or his or her designee pursuant to Section 3.08.040, by any alternative procedure. Professional services contracts of more than \$45,000, but less than or equal to \$80,000 may, except as otherwise provided in this chapter or the Act, be awarded by the director of the department responsible for the project, or his or her designee pursuant to Section 3.08.040, pursuant to the non-public project informal bidding procedure.

(b) *\$80,001 - \$125,000:* Professional services contracts of more than \$80,000, but less than or equal to \$125,000 may, except as otherwise provided in this chapter or the Act, be awarded by the assistant city manager, the director of public works, or the general manager of the department of water and power pursuant to the non-public project informal bidding procedure.

(c) *\$125,001 - \$175,000:* Professional services contracts of more than \$125,000, but less than or equal to \$175,000 shall, except as otherwise provided in this chapter, be awarded by the City Manager pursuant to the non-public project informal bidding procedure.

(d) *More than \$175,000:* Professional services contracts of more than \$175,000 shall, except as otherwise provided in this chapter, be awarded by the City Council pursuant to the non-public project formal bidding procedure.

(e) *Purchasing Agent Review of Scope of Services:* The purchasing agent shall review and approve, or provide for the review and approval of, the scope of services prepared for every professional services contract.

(f) *City Council Review of Scope of Services:* The City Council shall review and approve the scope of services prepared for every professional services contract of more than \$175,000.

(g) *Award:* Contracts for professional services shall be awarded to the contractor who will best serve the interests of the city, taking into account the demonstrated competence,

professional qualifications and suitability for the project in general. The city may consider cost of professional services if the authorized contracting party determines it to be a relevant factor under the circumstances.

(h) *Subsequent Contract Awards, Amendments, Extensions or Renewals:* Notwithstanding anything herein to the contrary, the department director and city manager shall not award a subsequent contract to the same individual or entity for the same or similar services, or amend, extend or renew such a contract, without obtaining the next highest approval authority (e.g. the city manager for the department director and the city council for the city manager), when the award, amendment, extension or renewal will result in the city paying an aggregate amount in excess of the approval authority of the department director or city manager to the individual or entity in any given fiscal year. For purposes of this section, the phrase “same project” shall include an on-call or as-needed contract.

(i) *Dollar Limits and Change Orders or Amendments:* The dollar limits indicated herein shall apply to the original contract and to any amendments or change orders. To this end, therefore, unless an exception provided in Section 3.08.140 below applies, any contract amendment or change order which would increase the contract amount above any threshold stated herein shall comply with the requirements applicable to the increased contract amount. For professional service agreements awarded by the city council, unless a lower or higher amount is stated in the city council staff report for the project or directed by the city council, the City Manager or his or her designees shall have authority to approve contract amendments or change orders up to twenty-five percent of the original contract amount.

(j) *No Bid Splitting:* The city shall not split a project, work, service or purchase into smaller projects, works, services or purchases for the purpose of avoiding any bidding or contracting requirements of this Code.

3.08.080 Bidding requirements - materials, supplies, and equipment.

(a) *\$80,000 or less:* Purchases of materials, supplies and equipment of \$45,000 or less may be awarded by the purchasing agent or the director of the department responsible for the purchase, or his or her designee pursuant to Section 3.08.040, by any alternative procedure. Purchases of materials, supplies and equipment of more than \$45,000, but less than or equal to \$80,000 may, except as otherwise provided in this chapter or the Act, be awarded by the director of the department responsible for the project, or his or her designee pursuant to Section 3.08.040, pursuant to the non-public project informal bidding procedure.

(b) *\$80,001 - \$125,000:* Purchases of materials, supplies and equipment of more than \$80,000, but less than or equal to \$125,000 may, except as otherwise provided in this chapter or the Act, be awarded by the assistant city manager, the director of public works, or the general manager of the department of water and power pursuant to the non-public project informal bidding procedure.

(c) *\$125,001 - \$175,000:* Purchases of materials, supplies, and equipment of more than \$125,000, but less than or equal to \$175,000 shall, except as otherwise provided in this chapter, be awarded by the City Manager pursuant to the non-public project informal bidding procedure.

(d) *More than \$175,000:* Purchases of materials, supplies, and equipment of more than \$175,000 shall, except as otherwise provided in this chapter, be awarded by the City Council pursuant to the non-public project formal bidding procedure.

(e) *Department Director Review of Specifications:* The director of the using department shall review and approve, or provide for the review and approval of, the specifications prepared for every purchase of materials, supplies and equipment.

(f) *Purchasing Agent Review of Specifications:* The purchasing agent, or his or her designee, shall review and approve the form of all contracts for the purchase of materials, supplies and equipment.

(g) *City Council Review of Specifications:* The City Council shall review and approve the specifications prepared for every purchase of materials, supplies, and equipment of more than \$175,000.

(h) *Award:* Contracts for the purchase of materials, supplies and equipment of forty-five thousand dollars (\$45,000) or less, if awarded, may be awarded in the best interests of the city. Contracts for the purchase of materials, supplies and equipment of more than forty-five thousand dollars (\$45,000), if awarded, shall be awarded to the lowest responsive and responsible bidder. If two (2) or more bids are the same and the lowest, the authorized contracting party may accept the one it chooses.

(i) *Dollar Limits and Change Orders or Amendments:* The dollar limits indicated herein shall apply to the original contract and to any amendments or change orders. To this end, therefore, unless an exception provided in Section 3.08.140 below applies, any contract amendment or change order which would increase the contract amount above any threshold stated herein shall comply with the requirements applicable to the increased contract amount. For materials, supplies and equipment contracts awarded by the city council, unless a lower or higher amount is stated in the city council staff report for the project or directed by the city council, the City Manager or his or her designees shall have authority to approve contract amendments or change orders up to twenty-five percent of the original contract amount.

(j) *Local Bidder Preference Program; Purchases of Materials, Supplies, and Equipment; Maintenance and General Services:* Based upon the findings provided for in the Recitals of the Ordinance adding this Section 3.08.080(j), the City Council has determined that it is in the best interests of the City to give a minimal preference to Local Businesses when the City is making certain purchases of materials, supplies, and equipment, as well as when it is entering into contracts for certain maintenance work and other general services projects, as set forth in this Local Bidder Preference Program ("Local Program"). The Local Program shall consist of the following general requirements, which shall be implemented by the purchasing agent within the City's purchasing policies and procedures manual:

(1) A "Local Business" for purposes of this Local Program shall mean the vendor: (i) has fixed facilities with employees located at a business address within City limits (a post office box or residence alone is insufficient); and (ii) has an appropriate City business license/permit. A vendor seeking to qualify for this Local Program shall provide supporting information and certify in writing that it meets the above requirements as part of its bid.

(2) In applying the Local Program to bids on a City purchase subject to the Local Program, a qualifying Local Business shall be entitled to a reduction of five percent (5%) in the tabulation of its bid for purposes of determining the lowest responsible bidder, unless otherwise prohibited by law (i.e. special state or federal grant programs).

(3) The Local Program preference described in Section (J)(2) above shall be applicable only to purchases of materials, supplies, and equipment, as well as contracts for maintenance work and other general services, which are competitively bid and which involve an expenditure of two-hundred thousand dollars (\$200,000) or less. For recurring purchases, the Local Program shall be applicable only to the City's first two hundred thousand dollars (\$200,000) worth of such purchases for any fiscal year, as determined by city staff in its sole

discretion. For such recurring purchases, the bidding documents shall indicate whether or not the Local Program is in effect for the applicable procurement. If the Local Program is applicable to a bid offering, it shall be noted in the applicable bid solicitation.

(4) The Local Program may also establish a preference for purchases of materials, supplies, and equipment, as well as contracts for maintenance work and other general services, which are competitively bid and which involve an expenditure of more than two-hundred thousand dollars (\$200,000). Such preference shall allow the City to take into consideration the net sales tax to be returned to the City as a result of an award to a qualifying Local Business in determining the lowest responsive and responsible bidder. The net sales tax shall be calculated based on the applicable bid price provided by the bidder in accordance with the City's purchasing policy.

(k) *Recycled Products Preference:* In order to promote the use of products containing recycled material, including post consumer material and secondary material, the city may take into consideration the percentage of recycled product in the materials, supplies or equipment being provided in determining the lowest responsive and responsible bidder. This Section shall not be effective unless and until the purchasing agent adopts a written policy to implement its provisions, which policy shall be included in the city's purchasing policies and procedures manual. In addition, fitness and quality being equal, the city shall endeavor to purchase products containing recycled material instead of virgin products, whenever available at no more than the total cost of the virgin materials.

(l) *No Bid Splitting:* The city shall not split a project, work, service or purchase into smaller projects, works, services or purchases for the purpose of avoiding any bidding or contracting requirements of this Code.

(m) *Fleet Replacement Vehicles and Equipment:* Notwithstanding anything to the contrary contained herein, the purchasing agent shall be the authorized contracting party for the replacement of a vehicle or other equipment on the city's annual vehicle/equipment replacement list, as approved through the budget process each year. The purchasing agent shall not make an award or approve such a purchase unless and until the applicable alternative procedure, non-public project informal bidding procedure or non-public project formal bidding procedure is followed.

3.08.090 Public Projects - formal bidding procedure.

(a) *Uses of Formal Bidding Procedure:* This formal bidding procedure shall be used whenever formal bidding is required for a public project.

(b) *Required Process:* The formal competitive bidding procedure shall comply with all aspects of state and local law governing formal competitive bidding, including, but not limited to, the California Public Contract Code, California Government Code, California Labor Code, resolutions of the city council as may be adopted from time to time, and policies and procedures as the city manager may approve from time to time.

(c) *Notice Inviting Formal Bids:* Notice inviting formal bids shall be provided. The notice inviting formal bids shall comply with Section 22037 of the Act, as such Section may be amended from time to time. Notices shall state the time and place for the receiving and opening of sealed bids and distinctly describe the project. At a minimum, the notice inviting formal bids shall: (1) describe the project; (2) state how to obtain more detailed information about the project; (3) state the date, time and place for the submission of sealed bids; and (4) include any other information required by state or local law, as determined by the city attorney.

(d) *Published Notice:* The notice shall be published at least fourteen (14) calendar days before the date of opening the bids in a newspaper of general circulation printed and published in the city, or, if there is no such newspaper, in a newspaper of general circulation which is circulated in the city.

(e) *Distribution of Notice Inviting Formal Bids:* The notice inviting formal bids shall also be sent to those construction trade journals specified in Section 22036 of the Act at least fifteen (15) calendar days before the date of bid opening. Notice shall be sent by either facsimile or electronic mail, if available, in addition to by mail.

(f) *Additional Notice:* The city shall also provide any additional notice as it deems proper.

(g) *Contents of Remaining Bid and Contract Documents:* The contents and form of the remaining bid and contract documents shall be approved by the director of the using department, as well as the city attorney.

(h) *Bidder's Security:* When required by applicable law or determined necessary by the purchasing agent or his or her designee, each bidder shall be required to provide appropriate security to guarantee its bid. Upon refusal or failure to execute the required contract or agreement and provide all required information and documentation, the full amount of the bid security shall be forfeited, except to the extent limited by applicable law.

(i) *City's Authority:* The city may reject any or all bids received, and may waive any minor irregularities in each bid received.

(j) *No Bids Received:* If no bids are received, the authorized contracting party may award the contract by any alternative procedure.

(k) *Award of Contract:* The contract shall be awarded in accordance with Section 3.08.050(g). If two or more bids are the same and the lowest, the city may accept the one it chooses.

(l) *Rejection of Bids:* The city may, in its sole and absolute discretion, reject any bids presented. If after the first invitation of bids all bids are rejected, after reevaluating its cost estimates for the project, the city shall have the option of any of the following: (1) abandon the project; (2) readvertise for bids in the manner described in this chapter; or (3) by passage of a resolution by a four-fifths vote of the city council, declare that the project can be performed more economically by the employees of the city and have the project done by force account.

3.08.100 Public projects - informal bidding procedure.

(a) *Uses of Public Project Informal Bidding Procedure:* This informal bidding procedure shall be used when a public project is involved and informal bidding is permitted by this chapter.

(b) *Contractor List:* The purchasing agent shall develop and maintain, or provide for the development and maintenance of, a list of qualified contractors, identified according to categories of work, as described in Section 22034(a) of the Act. The list shall be developed and maintained in accordance with criteria established by the commission. In developing the list, the purchasing agent or his or her designee shall obtain from the Contractor's State License Board and from the contractor's trade associations in the county, the names and addresses of qualified contractors located in the county.

(c) *Distribution of Notice Inviting Informal Bids:* The purchasing agent shall provide a notice inviting informal bids. The notice inviting informal bids shall be mailed to either or both of the following: (1) all contractors on the qualified contractors list maintained pursuant to subsection (b) above; and/or (2) all construction trade journals specified in Section 22036 of the

Act. The notice inviting informal bids must be mailed not less than (10) calendar days before the bids are due.

(d) *Contents of Notice Inviting Informal Bids:* At a minimum, the notice inviting informal bids shall: (1) describe the project in general terms; (2) state how to obtain more detailed information about the project; (3) state the date, time and place for the submission of sealed bids; and (4) include any other information required by state or local law, as determined by the city attorney.

(e) *Proprietary Projects or Products:* If the director of the using department certifies that, to the best of his or her knowledge, the project, product or service is proprietary in nature and can be obtained only from one contractor, and that no equivalent projects, products or services are available, the notice inviting informal bids may be sent exclusively to such contractor.

(f) *Contents of Bid and Contract Documents:* The contents and form of the bid and contract documents shall be approved by the director of the using department, as well as the city attorney; provided, however, that the city attorney need not review or approve the contents of the technical specifications, drawings and other technical documents.

(g) *Bidder's Security:* When required by applicable law or determined necessary by the city manager or purchasing agent, each bidder shall be required to provide appropriate security to guarantee its bid. Upon refusal or failure to execute the required contract or agreement and provide all required information and documentation, the full amount of the bid security shall be forfeited, except to the extent limited by applicable law.

(h) *City's Authority:* The city may reject any or all bids received, and may waive any minor irregularities in each bid received.

(i) *No Bids Received:* If no bids are received, the authorized contracting party may award the contract by any alternative procedure.

(j) *Award of Contract:* The contract shall be awarded in accordance with Section 3.08.050(g). If two or more bids are the same and the lowest, the city may accept the one it chooses.

3.08.110 Non-public projects - formal bidding procedure.

(a) *Uses of the Non-Public Project Formal Bidding Procedure:* A formal bidding procedure shall be used whenever formal bidding is required by this chapter and the project does not involve a public project.

(b) *Distribution of Notice Inviting Formal Bids or Request for Proposals:* A notice inviting formal bids or a request for proposals, as appropriate, shall be published at least once and at least ten (10) calendar days before the date of opening the bids or proposals in a newspaper of general circulation printed and published in the city, or, if there is no such newspaper, in a newspaper of general circulation which is circulated in the city. The notice inviting formal bids or request for proposals shall also be posted on the city's public bulletin board and provided directly to bidders, vendors or contractors on the city's approved list for the type of purchase at issue. The city shall endeavor to receive formal bids or proposals from at least three (3) vendors or contractors. A notice inviting bids shall be used whenever the project or purchase must be awarded to the lowest responsible and responsive bidder. A request for proposals may be used whenever the project or purchase is not required to be awarded to the lowest responsible and responsive bidder. If the purchasing agent and the director of the using department certify that, to the best of their knowledge, there is no local source or local provider available for the project, the notice inviting bids or the request for proposals, as appropriate, may

be distributed to a list of qualified vendors maintained by the purchasing agent and/or published in a trade journal appropriate to the project, in lieu of publication in a newspaper of general circulation.

(c) *Contents of Notice Inviting Formal Bids or Request for Proposals:* At a minimum, the notice inviting formal bids or request for proposals shall: (1) describe the project or purchase in general terms; (2) state how to obtain more detailed information about the project or purchase; (3) state the date, time and place for the submission of bids or proposals; and (4) include any other information required by state or local law, as determined by the city attorney. Bids for purchases of more than \$175,000 shall be sealed bids.

(d) *Proprietary Projects or Sole Source Products:* If the director of the using department certifies that, to the best of his or her knowledge, the project, product or service is proprietary in nature and can be obtained only from one vendor or contractor, and that no equivalent products or services are available, the notice inviting formal bids or request for proposals may be sent exclusively to such vendor or contractor.

(e) *Contents of Remaining Bid and Contract Documents:* The contents and form of the remaining bid and contract documents shall be approved by the director of the using department, as well as the city attorney.

(f) *Bidder's Security:* When required by applicable law or determined necessary by the city manager or purchasing agent, each bidder shall be required to provide appropriate security to guarantee its bid. Upon refusal or failure to execute the required contract or agreement and provide all required information and documentation, the full amount of the bid security shall be forfeited, except to the extent limited by applicable law.

(g) *City's Authority:* The city may reject any or all bids or proposals received, and may waive any minor irregularities in each bid or proposal received.

(h) *No Bids Received:* If no bids are received, the authorized contracting party may award the contract by any alternative procedure.

(i) *Award of Contract:* The contract shall be awarded in accordance with Sections 3.08.060(h), 3.08.070(g) or 3.08.080(h) as applicable. If two or more bids are the same and the lowest, the city may accept the one it chooses.

3.08.120 Non-public projects - informal bidding procedure.

(a) *Uses of Non-Public Project Informal Bidding Procedure:* This informal bidding procedure shall be used whenever informal bidding is allowed for a purchase which does not involve a public project.

(b) *Distribution of Notice Inviting Informal Bids or Request for Proposals:* A notice inviting informal bids or request for proposals, as appropriate, shall be provided. The notice inviting informal bids or requests for proposals shall be provided to at least three (3) vendors or contractors, and the city shall endeavor to receive informal bids or proposals from at least three (3) vendors or contractors. A notice inviting bids shall be used whenever the project or purchase must be awarded to the lowest responsible and responsive bidder. A request for proposals may be used whenever the project or purchase is not required to be awarded to the lowest responsible and responsive bidder.

(c) *Contents of Notice Inviting Informal Bids or Request for Proposals:* At a minimum, the notice inviting informal bids or request for proposals shall: (1) describe the project or purchase in general terms; (2) state how to obtain more detailed information about the project or purchase; (3) state the date, time and place for the submission of bids or proposals; and (4)

include any other information required by state or local law, as determined by the City Attorney. Bids for purchases of more than \$175,000 shall be sealed bids.

(d) *Proprietary Projects or Sole Source Products:* If the director of the using department certifies that, to the best of his or her knowledge, the project, product or service is proprietary in nature and can be obtained only from one vendor or contractor, and that no equivalent products or services are available, the notice inviting informal bids or request for proposals may be sent exclusively to such vendor or contractor.

(e) *Contents of Remaining Bid and Contract Documents:* The contents and form of the remaining bid and contract documents shall be approved by the director of the using department, as well as the city attorney.

(f) *Bidder's Security:* When required by applicable law or determined necessary by the city manager or purchasing agent, each bidder shall be required to provide appropriate security to guarantee its bid. Upon refusal or failure to execute the required contract or agreement and provide all required information and documentation, the full amount of the bid security shall be forfeited, except to the extent limited by applicable law.

(g) *City's Authority:* The city may reject any or all bids or proposals received, and may waive any minor irregularities in each bid or proposal received.

(h) *No Bids or Proposals Received:* If no bids or proposals are received, the authorized contracting party may award the contract by any alternative purchasing procedure.

(i) *Award of Contract:* The contract shall be awarded in accordance with Sections 3.08.060(h), 3.08.070(g) or 3.08.080(h) as applicable. If two or more bids are the same and the lowest, the city may accept the one it chooses.

3.08.130 Exceptions to competitive bidding - public projects.

In addition to the situations described in § 3.08.050, competitive bidding, either formal or informal, is not required for public projects in the situations provided for in this section. The purchasing agent shall establish rules and regulations within the purchasing policies and procedures manual which are necessary to implement the provisions of this section. Under the conditions outlined herein and in the Purchasing Policies and Procedures Manual, any alternative procedure may be used.

(a) *Emergencies:* In situations determined by the City Manager to constitute an emergency for a public project pursuant to § 22035 of the Act and Cal. Public Contract Code § 22050. The City Council hereby delegates to the City Manager the power to declare a public emergency and take any directly related and immediate action required by the emergency, up to a total of \$175,000, pursuant to § 22035 of the Act and Cal. Public Contract Code § 22050. Emergency expenditures of more than \$175,000 shall first be approved by the City Council. Work shall be performed without the benefit of competitive bidding, either formal or informal, only so long as necessary under those sections.

For projects of more than \$45,000, a report on the emergency and work performed shall be provided at the next regular meeting of the City Council, and then at every meeting thereafter required by § 22050. At such meetings, the City Council shall determine, by a four-fifths vote, that there is a need to continue the action without the benefit of informal or formal competitive bidding in accordance with § 22035 of the Act and Cal. Public Contract Code § 22050. The City Council shall terminate the emergency action at the earliest possible date that conditions warrant, so that the remainder of the emergency action may be completed pursuant to a formal bidding procedure.

For projects of \$45,000 or less, the City Manager shall have the authority to cause the director of the department responsible for the project, or his or her designee, to proceed by any alternative procedure pursuant to § 3.08.050 above.

(b) *No Competitive Market:* When the city council determines, upon recommendation by the city manager and purchasing agent, in accordance with applicable law, that a competitive market does not exist and that no competitive advantage will be gained by the public bidding process.

(c) *No Bids Received:* When no bids are received pursuant to either the public project informal bidding procedure or the public project formal bidding procedure.

(d) *Otherwise Authorized:* Upon recommendation of the city manager, purchasing agent and city attorney, when otherwise authorized by this chapter or applicable law.

3.08.140 Exceptions to competitive bidding - non-public projects.

In addition to the situations described in Section 3.08.060 through 3.08.080, competitive bidding, either formal or informal, is not required for non-public projects in the situations provided for in this section. The purchasing agent shall establish rules and regulations within the purchasing policies and procedures manual which are necessary to implement the provisions of this section. Under the conditions outlined herein and in the purchasing policies and procedures manual, any alternative procedure, including no bidding, may be used with the city manager's approval.

(a) *Emergencies:* When the purchasing agent and the authorized contracting party, with the approval of the city manager, determine that an emergency exists, as defined in Section 3.08.010.

(b) *No Competitive Market:* When the purchasing agent and the authorized contracting party, with the approval of the city manager, determines, in accordance with applicable law, that a competitive market does not exist and that no competitive advantage will be gained by the public bidding process.

(c) *Competitive Bidding Already Completed:* When the purchasing agent and the authorized contracting party, with the approval of the city manager, determines that: (1) a competitive bid procedure has been conducted by another public agency, including, but not limited to, another local agency, the State through the California Multiple Award Schedule (CMAS), the federal government through the General Services Administration (GSA), the U.S. Communities Government Purchasing Alliance or the Western States Contracting Alliance (WSCA); and (2) the price to the city is equal to or better than the price to that public agency.

(d) *State Purchase:* When the purchase is made on behalf of the city by the State Department of General Services.

(e) *Purpose Of Bidding Is Otherwise Accomplished:* When the purchasing agent and the authorized contracting party, with the approval of the city manager, determine that it is in the best interest of the city and its administrative operations to dispense with public bidding for non-public projects under this chapter.

(f) *No Bids Received:* When no bids are received through the non-public project formal or informal bidding procedures.

(g) *Natural Gas, Water and Electricity:* The general manager of the department of water and power, or his or her designee is authorized to negotiate and execute, on behalf of the city, agreements with privately owned, federally owned, state owned and locally owned entities for the wholesale purchase and sale of natural gas, water, economy energy, replacement energy, replacement capacity and transmission service to deliver such natural gas, water and energy to

Corona or such other locations as may be appropriate without competitive bidding. The purchasing policies and procedures manual shall include a process by which the general manager shall approve such purchases and sales through utilization of the competitive open market for such commodities.

(h) *Library Information Purchases:* The library director is authorized to negotiate and execute, on behalf of the city, contracts for the purchase of library books, tapes, periodicals and other information delivery formats (e.g. microfilm, DVD, CD-ROM and internet information) without competitive bidding, so long as each purchase is in accordance with the budget approved by the city council and there is an unencumbered appropriation in the fund account against which the purchase is to be charged. The purchasing policies and procedures manual shall include a process by which the library director approves such purchases in a manner which identifies a competitive price which is in the best interests of the city. The library director shall not be required to select the lowest price.

(i) *Mandated Expenditures:* Expenditures mandated by law or regulation, such as county booking fees, waste disposal fees or other non-negotiable permit, use or application fees.

(j) *Otherwise Authorized:* When otherwise authorized by this chapter or applicable law.

3.08.150 Surplus materials, supplies, and equipment.

(a) *Designations by City Departments:* All city departments shall submit to the purchasing agent, at such times and in such form as he or she shall prescribe, reports showing all materials, supplies and equipment which are deemed by that department to be surplus, in that they are no longer used or are unsuitable for city use by that department.

(b) *Transfer Among Departments:* The purchasing agent shall have the authority to transfer to another department any materials, supplies and equipment designated by a department as surplus.

(c) *Sale, Exchange or Trade:* The purchasing agent or his or her designee shall have authority to sell as surplus all materials, supplies, and equipment which cannot be used by any department or which have become unsuitable for city use, or to exchange the same for, or trade in the same on, new materials, supplies, and equipment. The sale of surplus materials, supplies, and equipment shall be made by public auction pursuant to applicable law and any rules and regulations provided for in the purchasing policies and procedures manual. In addition, the purchasing agent may approve the sale of any surplus materials, supplies, or equipment by means other than public auction, upon a finding that the sale in such alternative manner is in the best interests of the city and is supported by documentation sufficient to establish that the city is receiving compensation at least equal to the fair market value of the materials, supplies, or equipment. The City Council shall approve by resolution any sale, exchange, or trade of materials, supplies, and equipment with an estimated value of \$175,000 or more.

(d) *Abandonment or Destruction:* Except as otherwise prohibited by applicable law, the city manager shall have the authority, with the consent of the finance director, to authorize the abandonment or destruction of materials, supplies and equipment which have no commercial value or which will require an expenditure of funds for continued care, handling, maintenance or storage which exceeds the estimated proceeds of sale. The authorization shall be in writing and shall be countersigned by the city manager and finance director.

(e) *Donation:* Except as otherwise prohibited by applicable law, the city council may, by resolution, establish a procedure for the city manager and finance director to approve the donation of materials, supplies and equipment which have no commercial value or which will

require an expenditure of funds for continued care, handling, maintenance or storage which exceeds the estimated proceeds of sale. Donations may be made to charitable, civic or non-profit organizations, as well as other public agencies, and shall be done in a fair and equitable manner. In its resolution, the city council shall establish rules and regulations to govern the fair and equitable donation of materials, supplies and equipment. The resolution shall also indicate that the city manager and finance director shall not approve any donation without first making a finding that the materials, supplies and equipment are surplus to the needs of the city, that they either have no commercial value or will require an expenditure of funds for continued care, handling, maintenance or storage which exceeds the estimated proceeds of sale, and that the donation is in the best interests of the city.

(f) *City Officials and Employees:* Surplus supplies and equipment may be sold to the public if so prescribed by the city manager and/or the city council. City officials and employees, and their immediate families, however, shall not be eligible to purchase such surplus items; provided, however, that retired service animals may be purchased by their primary handler."